

# THE PRESIDENT'S FISCAL YEAR 2015 BUDGET FOR TRIBAL PROGRAMS

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## HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS

UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

MARCH 26, 2014

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## **THE PRESIDENT'S FISCAL YEAR 2015 BUDGET FOR TRIBAL PROGRAMS**

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**WEDNESDAY, MARCH 26, 2014**

U.S. SENATE,  
COMMITTEE ON INDIAN AFFAIRS,  
*Washington, DC.*

The Committee met, pursuant to notice, at 3:56 p.m. in room 628, Dirksen Senate Office Building, Hon. Jon Tester, Chairman of the Committee, presiding.

### **OPENING STATEMENT OF HON. JON TESTER, U.S. SENATOR FROM MONTANA**

The CHAIRMAN. We will call this hearing to order on the President's Fiscal Year 2015 Budget for Tribal Programs.

I want to welcome the two witnesses for this panel and also the witnesses for the next panel.

We will be holding this Oversight Committee while there are votes happening on the Floor right now. I honestly do not know how that will impact the membership attending this hearing but we will have questions as we move forward.

The President's request for Indian Affairs and the Department of Interior is \$2.6 billion, an increase of \$33.6 million over fiscal year 2014. The Indian Health Service budget was increased by \$199 million to \$4.6 billion.

Although these proposed increases are encouraging, we must also acknowledge that these are harsh financial times. Tribes have not recovered from sequestration which resulted in across the board cuts to all Federal programs, including those affecting tribes and nowhere was this more devastating than the Indian Health Service where due to sequestration, continuing resolutions and a 16-day government shutdown, health care to Indian people was jeopardized.

That is why today and next week, the Committee is going to talk about securing advanced appropriations for the Indian Health Service. The delivery of health care to Indian people should not be threatened because those of us who serve in Washington cannot get our act together, prepare, and pass a budget.

There is a bill now pending in Committee, S. 1570, that would provide advance funding for the Indian Health Service. This bill is tailored after a bill Congress enacted to advance funding for the Veterans Administration system in 2009. I look forward to working with my colleagues on both sides of the aisle and the Administration on making this initiative a reality.

Despite the budgetary constraints that we face, there are some positive highlights in the President's fiscal year 2015 budget request. The Committee is pleased that the Administration finally understands the legal obligation to fully fund contract support costs for both the Indian Health Service and the Bureau of Indian Affairs.

I am particularly encouraged by the \$11 million increase for social services and job training to support an initiative to provide a comprehensive and integrated approach to address violence, poverty and substance abuse in Indian Country.

As we learned from Dr. Costello, who testified at our early childhood development hearing last month, we can either pay now or we pay later, but we are going to pay. I think it is much wiser to invest in preventive services today than pay for a lifetime of treatment and remedial assistance later.

However, there are some areas that may not be receiving the attention they deserve. For tribal communities to thrive now and into the future, there must be economic development opportunities and an educated workforce.

My colleagues and I have heard in numerous Committee meetings of the poor conditions at many of the BIA schools. Yet again, the BIA has only requested enough funding to do the site development to construct one of three schools that remain on the 2004 school construction list. In addition to that list, there are another 60 schools considered in poor condition.

Finally, I am very concerned with the Administration's request for drinking water and sanitation construction. There is more than a \$3 billion backlog in drinking water and sanitation construction needs in Indian Country. However, across all Federal agencies, including the EPA, the Administration is only requesting \$173 million to address drinking water and sanitation needs in Indian Country.

Senator Barrasso obviously is not here. When he gets here, opening statements will certainly be open to him. I am going to move with the panel.

On our first panel is the Honorable Kevin Washburn, Assistant Secretary, Indians Affairs, U.S. Department of the Interior and the Honorable Yvette Roubideaux, Acting Director, Indian Health Service, U.S. Department of Health and Human Services.

Your entire written testimony will be made a part of the record. I would ask that you be as close to five minutes as you possibly can. That way, there will be enough time for me to ask questions.

With that, we will start with you, Secretary Washburn.

**STATEMENT OF HON. KEVIN WASHBURN, ASSISTANT SECRETARY—INDIAN AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR**

Mr. WASHBURN. Thank you, Chairman Tester.

Let me say the Secretary very much enjoyed her recent visit to Montana. I heard wonderful stories about it.

The CHAIRMAN. Don't believe them.

[Laughter.]

Mr. WASHBURN. It is really important for her to get firsthand experience and she really enjoyed it.

The CHAIRMAN. It was a great trip and we appreciate the time she spent in Montana visiting Indian Country, water projects, conservation projects and energy projects around the State of Montana. Thank you.

Mr. WASHBURN. Larry Roberts is with me, the Deputy Assistant Secretary who was on that trip and Pam Hayes, another Deputy Assistant Secretary. Two Deputy Assistant Secretaries are useless unless you have three so we have Tommy Thompson here as well. They come in threes, so we are well staffed.

The CHAIRMAN. We appreciate them.

Mr. WASHBURN. The budget that we propose for Indian Affairs this year is best characterized as a responsible budget. We understand there is not dancing in the streets, but we also understand there are serious budget caps here on the Hill with the Murray-Ryan budget cap. We have promised to live within that so the budget we propose fits within the Murray-Ryan cap.

It includes the \$33 million increase, new money, for Indian Affairs and also \$42 million, new money, for fire in the Department's overall budget. There is a nice increase for tribes in this budget even though it is a very flat budget year and a very strict fiscal environment.

We do propose to fully fund contract support costs. We know that contract support costs are necessary for tribes to be able to really perform under their self governance compacts and their self determination contracts, so we have fully funded them for fiscal year 2014 and propose full funding for fiscal year 2015. We are grateful for the leadership of this Committee on that issue.

We also propose a new approach to social services which you recognized in your opening statement. The Tiwahe Initiative which is sort of a double entendre, the idea is that we need to be serving families.

Tiwahe is the Lakota word for family. The idea is we need to be bringing our services together more around serving families rather than leaving them in silos serving individuals. That program will help with social services.

We have social workers running from crisis to crisis in Indian Country. In part through people on this Committee, Senators Hoeven and Heitkamp, we have seen some of the serious problems that these social workers face when they are under staffed and overworked.

That money will basically go in large measure to provide more money for social workers to help get ahead of problems instead of being reactive all the time and just going from crisis to crisis.

That is one of our initiatives we really think can improve things. We can all work together within the BIA and function more like a family ourselves. We think that will be an improvement.

As part of that initiative, we have asked for funding for a housing improvement program, something we have talked about zeroing out in the past but we heard from tribes that is a real important part of their social services. We heard loud and clear they want us to keep the funding for the housing improvement program so we have asked for funding for that for fiscal year 2015.

We have several other programs. One of them is somewhat involved with the Tiwahe Initiative is we have embarked on a pro-

gram that would continue into 2015 that will reduce recidivism in Indian Country.

Our chief law enforcement officer with the BIA tells me that we have several people in Indian Country who are serving life sentences a couple of days at a time because they committed some very minor offense and they get locked up for a couple of days and get out only to commit another offense soon thereafter.

We are going to work on trying to reduce recidivism in Indian Country and especially try to provide services to people suffering those kinds of issues.

Those are two of the biggest things, contract support costs and the Tiwahe Initiative. We have some modest increases in other areas. It is a fairly flat budget though. We are trying to improve but we are also trying to stay within the Murray-Ryan cap.

The Obama Administration has worked very hard to improve the Nation's commitment to Indian Country and we do think this budget continues that commitment. We thank you, Senator Tester, and this Committee for being such an important ally in that mission.

Thank you very much.

[The prepared statement of Mr. Washburn follows:]

PREPARED STATEMENT OF HON. KEVIN WASHBURN, ASSISTANT SECRETARY—INDIAN AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR

Good afternoon, Chairman Tester, Vice Chairman Barrasso, and members of the Committee. Thank you for the opportunity to provide a statement on behalf of the Department of the Interior (Department) on the President's Budget Request for Fiscal Year (FY) 2015 that was presented to Congress on March 4, 2014. The FY 2015 budget request for Indian Affairs programs within the Department totals \$2.6 billion, which is \$33.6 million more than the FY 2014 enacted level.

As the Assistant Secretary for Indian Affairs, I have the responsibility to oversee the numerous programs within the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE), along with other programs within the immediate Office of the Assistant Secretary for Indian Affairs. The Office of the Assistant Secretary for Indian Affairs, BIA, and BIE programs expend over 90 percent of appropriated funds at the local level. Of this amount, over 62 percent of the appropriations are provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government programs and schools. In sum, tribal self-determination and self-governance programs have eclipsed direct service by the BIA and BIE to Indian people. Indian Affairs' programs serve the more than 2.0 million American Indian and Alaska Natives living on or near Indian reservations.

The FY 2015 President's Request supports continuing efforts to advance self-governance and self-determination, promote efficient and effective governance, prudently manage tribal natural resources, build stronger economies and self-sufficiency and maintain safer Indian communities. In November 2013, President Obama hosted the fifth annual White House Tribal Nations Conference. The event included thirteen Cabinet members and dozens of senior Administration officials who met with representatives from the 566 federally recognized Tribes on a wide range of issues including advancing the Nation to Nation relationship, economic development, housing, excellence in education, energy, infrastructure, law enforcement, cultural protection, natural resources, and Native American youth.

Our funding priorities are guided, in part, by careful coordination with Tribes through a regional-to-national planning process through the Tribal Interior Budget Council. In addition, input from tribal leaders gained since the first White House Tribal Nations Conference has helped guide the Administration's priorities and decisionmaking processes. These and other sources of tribal input have informed legislative and programmatic initiatives and funding priorities in the 2015 budget, including full funding for contract support costs.

To insure the continued success of tribal self-determination and self-governance, the 2015 President's budget request proposes to continue full funding for contract support costs. It includes a request for \$251.0 million, an increase of \$4.0 million above the 2014 enacted level. Based on the most recent analysis, the requested amount will fully fund the estimated 2015 contract support need. The availability



of contract support cost funding is a key factor in tribal decisions to assume responsibility for operating Federal programs, furthering tribal self-determination and self-governance. The Interior Department fully funded estimated contract support costs in 2014. The Bureau of Indian Affairs will continue to consult with Tribes to develop streamlined mechanisms and a long-term approach to advancing these shared goals.

To further enhance the Nation-to-Nation relationship, Indian Affairs is continuing its comprehensive look at the regulations addressing how Indian groups apply for and receive Federal recognition as an Indian Tribe. The Department is reviewing comments recently received and plans to proceed with a proposed rule for publication in the Federal Register. After another round of consultations and a formal comment period, Indian Affairs plans to publish the final rule in 2014 or early 2015. In addition, the 2015 budget proposes language to clarify the Department's authority to take Indian land into trust and amend the Indian Reorganization Act of 1934, thereby reducing significant delays in processing land into trust applications.

#### **Supporting Indian Families and Protecting Indian Country**

Supporting Indian families and ensuring public safety are top priorities for the President and tribal leaders. As part of the President's commitment to protect and promote the development of prosperous tribal communities, BIA proposes the Tiwahe Initiative, a new effort to support community and cultural awareness in Indian Country. Child abuse and neglect are serious and persistent problems among Indian populations in the United States. The impact of child maltreatment in many Indian communities has been devastating. It has disrupted extended family support networks and broken up families through placements outside the community.

Children living in poverty are far more likely to be exposed to violence and psychological trauma, both at home and in the surrounding community. Indian communities are plagued by high rates of poverty, substance abuse, suicide, and violent crime. The U.S. Census Bureau recently reported that between the years 2007 and 2011, 23.9 percent of the American Indian and Alaska Native population lived in poverty; a figure that exceeded the national poverty rate of 14.3 percent.

The 2015 budget includes a comprehensive and integrated approach to the inter-related problems of poverty, violence, and substance abuse faced by Indian communities. The proposed increase of \$11.6 million for social services, child welfare and job training programs will support the initiative by providing culturally appropriate services with the goal of empowering individuals and families through health promotion, family stability, and strengthening tribal communities as a whole. In its initial phase, the Tiwahe Initiative will expand BIA's capacity in current programs that address Indian children and family issues and job training needs.

To promote public safety and community resilience in Indian communities, the 2015 budget maintains resources to build on recent successes in reducing violent crime and implements a new goal to lower repeat incarceration in Indian Country. The goal of the pilot program is to lower rates of repeat incarceration at the three targeted reservations of Red Lake, Ute Mountain, and Duck Valley by a total of three percent by September 30, 2015. To achieve this goal, BIA will implement a comprehensive "alternatives to incarceration" strategy, that seeks to address underlying causes of repeat offenses, including substance abuse and social services needs, by utilizing alternative courts, increased treatment opportunities, probation programs, and interagency and intergovernmental partnerships with tribal, Federal, and State stakeholders.

#### **Supporting Sustainable Stewardship of Trust Resources**

The BIA's trust programs assist Tribes in the management, development, and protection of Indian trust land and natural resources on 55 million surface acres and 57 million acres of subsurface mineral estates. These programs assist tribal landowners in optimizing the sustainable stewardship and use of resources, providing many benefits such as revenue, jobs, and the protection of cultural, spiritual, and traditional resources.

Taking land into trust is one of the most important functions Interior undertakes on behalf of Indian Tribes. Homelands are essential to the health, safety, social, cultural, and economic welfare of tribal governments. In 2013, Interior acquired 32,148 acres of land in trust on behalf of Indian Tribes and individuals and approved 438 fee-to-trust applications. The Administration has set an ambitious goal of placing more than 500,000 acres of land into trust by the end of the Obama Administration. To that end, BIA has processed more than 1,500 land-into-trust applications, accepting more than 240,500 acres in trust on behalf of Tribes since 2009. To put that in context, that figure equals more than 375 square miles. The BIA intends to build on this progress to meet or exceed the 500,000 acre goal.

The BIA is striving to increase the economic utilization of Indian lands. In addition to implementing the Helping Expedite Responsible Tribal Homeownership Act provisions for tribal leasing approval, Indian Affairs continues to implement other new Federal leasing regulations finalized in early 2013. The updated regulations encourage and accelerate economic development in Indian Country. The revised regulations reformed the former antiquated, one-size-fits-all Federal surface leasing regulations for Tribes and individual Indians. The rule defines specific processes, with enforceable timelines, through which BIA must review leases and permits. The regulation establishes separate, simplified processes for residential, business, and renewable energy development, so that, for example, a lease for a single family home is distinguished from a large solar energy project.

The 2015 budget will continue funding resource stewardship with expanded science and technical support started in 2014, including research, analysis, and technical support activities for the development of alternative and conventional energy sources, sustainable management of natural resources such as land, water, oceans, endangered and invasive species, and climate adaptation and resilience. In addition, the Indian Affairs budget proposes \$35.7 million for Indian land and water settlements in the 2015 budget, which is equal to the 2014 enacted level.

#### **Advancing Indian Education**

Native American youth are the most precious resource of any Tribe, and educating our youth is vital to the well-being of Indian Country. The 2015 budget request for the Bureau of Indian Education is \$794.4 million, \$5.6 million above the 2014 enacted level. Included within this funding request are programs that will advance the Department's continuing commitment to American Indian education.

A thriving educational system for American Indian students is essential for the long-term health and vitality of Native American communities and is a critical component of the broader initiative to strengthen tribal communities. In 2013, Secretary Jewell and Secretary of Education Arne Duncan convened an American Indian Education Study Group to address needed reforms to American Indian elementary and secondary education and seek higher levels of academic achievement.

The Study Group is overseen by myself, as Assistant Secretary for Indian Affairs, and includes representatives from BIE, Department of Education, leading academics, and Department of Defense educational system. Foundational issues the group is evaluating include: the creation of a relevant curriculum; the need for retention and recruitment of effective teachers; the application of appropriate teaching practices; and addressing the student achievement gap. The work will be done in concert with President Obama's initiative to support tribal self-determination. The group has traveled the Country to listen to BIE and tribal school employees, parents, and students directly impacted by the BIE system. They will conduct tribal consultations to gather tribal views and input on recommendations for improving educational outcomes in schools. The President's budget proposes to include Indian education in the Opportunity, Growth and Security Fund. The Fund would support incentives to promote improvements in educational outcomes at schools funded through the Bureau of Indian Education.

#### **Land Buy-Back Program for Tribal Nations**

Throughout 2013, the Land Buy-Back Program continued to implement the land consolidation portion of the Cobell Settlement Agreement. In the Settlement, \$1.9 billion was set aside to consolidate fractionated ownership of land interests held in trust or restricted status across Indian Country. Under the terms of the Settlement, the Department of the Interior has until November 2022 to expend the funding to acquire fractional interests at fair market value from willing sellers. Fractionation has been identified as a key impediment to economic development and is a significant factor in the complexity and cost of managing the Indian Trust. Lands acquired through the program will remain in trust or restricted status and are immediately consolidated for beneficial use by the tribal nation with jurisdiction. Some of the beneficial uses of consolidated land include energy development, farming, cultural preservation, and timbering.

In December 2013, the Department made initial purchase offers for fractional interests at three locations: Pine Ridge Reservation, Makah Indian Reservation, and Rosebud Reservation. In 2014, the Land Buy-Back Program has extended offers to additional individual owners with fractional interests at these locations and will send offers to owners at other locations. Purchasing interests at fair market value from willing sellers ultimately strengthens tribal sovereignty by increasing tribal land bases. As a result of Buy-Back offers, tens of thousands of acres have been consolidated and millions of dollars in payments have gone to willing sellers. The program is focusing on the most fractionated locations and using a detailed mass ap-

praisal method where feasible to achieve the most cost-effective acquisition of fractional interests.

#### **Other Bureau funding in the Department**

As this Committee is aware, all the departments within the Executive Branch of our Federal Government potentially have at least one or more bureaus or programs that provide funding in support of Native Americans and Tribes. The Department of the Interior (Department) is no different. The Department's FY 2015 budget includes \$612 million for programs in other bureaus, not in Indian Affairs, in support of Native Americans and Tribes. This reflects an increase of \$42 million or 7.4 percent from 2014 enacted levels. When added together with the Indian Affairs budget, the total request for Indian programs is \$3.2 billion. This is an increase of \$76 million or 2.5 percent over 2014 enacted levels.

Listed below are a few highlights of the programs outside the Indian Affairs budget that support Tribes and American Indians and Alaska natives, these include:

- Wildland Fire: The Wildland Fire budget includes \$200.1 million for emergency and non-emergency Fire Programs. The Tribal initiative includes additional \$52.3 million in funds for Fire Preparedness, Fuel Management, and the Resilient landscapes program. Funds will support contract support costs, workforce development, firefighter and support personnel, and to maintain veteran crews.
- The Bureau of Land Management (BLM) budget includes \$16.9 million for programs such as Alaska conveyance, oil and gas, and coal and other minerals to support Native Americans.
- The Fish and Wildlife Service (FWS) budget includes \$10.7 million for a wide-range of activities including fish hatchery maintenance and Tribal Wildlife Grants.
- The National Park Service (NPS) budget includes \$13.5 million for Native American programs including grants for Historic Preservation Fund and the Native American Grave Protection programs.
- The United States Geological Service (USGS) budget includes \$7.6 million for Tribal Science Partnerships which includes an increase of \$2.8 million for Tribal Science Partnerships.
- The Office of Surface Mining (OSM) budget includes \$2.1 million for programs with Crow, Hopi, and Navajo tribes.
- The Office of the Special Trustee (OST) includes \$139.0 million for programs that manage Indian funds held in trust by the Federal Government.
- The Office of Natural Resources Revenue (ONRR) budget includes \$35.0 million for the management of royalty assets from Indian trust properties, an increase of \$1.0 million.
- The Bureau of Reclamation (BOR) budget includes \$186.5 million for Native American programs including \$112.0 million for Indian Water Rights Settlements.

#### **Conclusion**

This FY 2015 budget supports the Administration's objectives to strengthen tribal nations through economic development, protect Indian communities through public safety and justice programs and social services, improve Indian education to secure the long-term health and vitality of Indian Country, and improve the government-to-government relationship between tribal nations and the United States. The 2015 budget request maintains the President's commitment to meet our obligations to tribal nations while exercising fiscal responsibility and improving government operations and efficiency.

Chairman Tester and Members of the Committee, thank you for the opportunity to appear before you today. I am happy to answer any questions you may have.

The CHAIRMAN. Thank you for your testimony, Secretary Washburn.

Dr. Roubideaux, you are up.

**STATEMENT OF HON. YVETTE ROUBIDEAUX, M.D.,  
M.P.H., ACTING DIRECTOR, INDIAN HEALTH SERVICE, U.S.  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Dr. ROUBIDEAUX. Thank you and good afternoon, Chairman Tester.

I am Dr. Yvette Roubideaux, the Acting Director of the Indian Health Service. I am pleased to provide testimony today on the President's fiscal year 2015 budget request for the Indian Health Service.

The President's fiscal year 2015 budget request in discretionary budget authority for the IHS is \$4.6 billion, an increase of \$200 million or a 4.5 percent increase.

The request includes priority increases for medical inflation, staffing and operation of four newly constructed facilities, an increase for the Purchased/Referred Care Program, formerly the Contract Health Services Program, pay costs, funding for five new tribes, funding to restore reductions made in 2014 to fund priorities and full funding for the estimated need for contract support costs in fiscal year 2015.

We are very happy about this proposal and the outcome in 2014. We thank you for your partnership on this issue and I am glad we were all able to work together to make sure we could advocate and get the tribal priorities enacted.

The budget proposal also includes health care facilities construction funding to complete construction on the Kayenta, Ft. Yuma and Northern California Youth Regional Treatment Center and funds to continue construction on the Gila River Southeast Arizona facility.

The President's fiscal year 2015 budget request also includes an Opportunity, Growth, and Security government-wide initiative that proposes an additional \$200 million for IHS health care facilities construction.

The fiscal year 2015 budget also includes legislative proposals to reauthorize the Special Diabetes Program for Indians for an additional three years, to establish authority for Medicare-like rates for non-hospital and physician/non-physician services and to provide a tax exemption for the Indian Health Service Health Professions Scholarship and Health Profession Loan Repayment Programs.

The IHS budget is critical to our progress in accomplishing our agency priorities, reforms and improvements. If this proposed budget is enacted, the IHS appropriations will have increased 38 percent since 2008, so thank you for your partnership.

Appropriations increases received in the past six fiscal years are making a substantial difference in the quality and quantity of health care we are able to provide American Indians and Alaska Natives. We are grateful that IHS remains a top budget priority.

The budget request was developed after formal tribal budget formulation process and incorporates tribal budget priorities. Tribal consultation is a priority of President Obama who has expressed a commitment to honoring treaty rights and making tribal consultation a priority.

In order to continue our commitment to tribal consultation, I plan to personally conduct listening sessions in all IHS areas this year to hear views from tribes on how we can continue to make

progress in agency reforms. I do believe I am holding a listening session next week in Montana.

IHS has made improvements in a number of areas detailed in my written testimony. One of those areas is contract support costs. In addition to working with tribes on a long term solution for contract support costs or CSC appropriations, we have also made substantial progress on settling past CSC claims.

We heard input from Congress and tribes to accelerate the settlement process and our recent dedicated increase in resources and staff is making a difference. IHS has analyzers in the process of analyzing over 550 claims and since Ramah, IHS has made settlement offers on over 200 claims from 31 tribes. The total settlement amount to date for 104 claims that have been formally settled or are in the process of settlement totals over \$133 million.

IHS is committed to fair, consistent, and speedy resolution of claims through settlement wherever possible.

In summary, we are working hard and in partnership with Congress and tribes to change and improve the Indian Health Service through our reform efforts. We really thank you for your support and partnership.

The increases IHS has received in the budget over the past few years are making a difference but we know we still have much more to do. We look forward to working with you on the President's fiscal year 2015 budget request to help continue or progress in changing and improving the Indian Health Service.

Thank you and I am happy to answer questions.

[The prepared statement of Dr. Roubideaux follows:]

PREPARED STATEMENT OF HON. YVETTE ROUBIDEAUX, M.D., M.P.H., ACTING DIRECTOR, INDIAN HEALTH SERVICE, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Good morning Chairman Tester, Vice Chairman Barrasso, and Members of the Committee. I am Dr. Yvette Roubideaux, Acting Director of the Indian Health Service. I am pleased to provide testimony on the President's Fiscal Year (FY) 2015 Budget request for the Indian Health Service (IHS), and to update you on our progress in addressing our agency mission to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives (AI/ANs) to the highest level.

#### **Indian Health System**

IHS is an agency within the Department of Health and Human Services (HHS) that provides a comprehensive health service delivery system for approximately 2.1 million American Indians and Alaska Natives (AI/ANs) from 566 federally recognized Tribes in 35 states. The IHS system consists of 12 Area offices, which are further divided into 168 Service Units that provide care at the local level. Health services are provided directly by the IHS, through tribally contracted and operated health programs, through services purchased from private providers, and through urban Indian health programs.

#### **President's FY 2015 Budget Request**

The President's FY 2015 Budget request in discretionary budget authority for the IHS is \$4.6 billion; an increase of \$200 million, or 4.5 percent, over the FY 2014 enacted funding level.

The request includes priority increases: \$63 million for medical inflation, \$70.8 million to staff and operate four newly constructed health facilities, \$15.4 million for a general program increase for the Purchased/Referred Care (PRC) program (formerly known as Contract Health Services) that results in a total increase of \$50.5 million when added to the \$32.5 million for medical inflation for PRC and a program increase of \$2.6 million for New Tribes, \$2.5 million for pay increases for federal and Tribal health program staff, \$8 million for five new Tribes, \$10 million to re-

store funding reductions made in FY 2014 to fund priorities, and \$29.8 million for contract support costs (CSC), primarily for the estimated need for new and expanded contracts. The budget proposal also includes \$85 million for health care facility construction to complete construction and the staff quarters for the Kayenta, AZ facility, begin and complete construction of the Fort Yuma, AZ facility, continue construction of the Gila River Southeast, AZ facility, and complete construction of the Northern California Youth Regional Treatment Center.

The President's FY 2015 Budget request also includes an Opportunity, Growth and Security government-wide initiative to grow the economy and create opportunities. For IHS, the initiative includes an additional \$200 million to continue progress in constructing facilities on the IHS Health Care Facilities Construction priority list.

At the Program Level, the budget also estimates \$1.2 billion in third party collections in FY 2015 that includes an estimated increase in Medicaid reimbursements of \$22 million compared to FY 2014, which is anticipated to result from additional enrollees as the Affordable Care Act continues to be implemented. The Program Level funding also includes \$39 million in estimated reimbursements from the Department of Veterans Affairs.

The FY 2015 President's budget also includes legislative proposals to reauthorize the Special Diabetes Program for Indians for an additional three years, to establish authority for Medicare-Like Rates for non-hospital and physician/non-physician services for Indian Health Service, Tribal and Urban Indian Health Programs, and to provide a tax exemption for the Indian Health Service Health Professions Scholarship and Health Profession Loan Repayment Programs similar to the National Health Service Corps programs.

#### **IHS—Continued Progress**

Over the past few years, we have been working to change and improve the IHS. The IHS budget is critical to our progress in accomplishing our agency priorities and improvements. If this proposed budget is enacted, IHS appropriations will have increased by 38 percent since FY 2008. The appropriations increases received in the past six fiscal years are making a substantial difference in the quantity and quality of healthcare we are able to provide to AI/ANs. IHS remains a top Administration priority. In the President's FY 2015 Budget request the HHS discretionary budget overall decreased while IHS' budget increased.

IHS has made considerable progress in addressing our Agency priorities and reforms and the budget increases have been critical to this progress. Tribal consultation is fundamental to our Agency reform activities. This budget request was developed after a formal Tribal budget formulation process and incorporates Tribal budget priorities. Tribal consultation is a priority of President Obama, who has expressed a commitment to honoring treaty rights and making tribal consultation a priority. In order to continue our commitment to Tribal consultation, I plan to personally conduct listening sessions in all IHS Areas this year to hear views from Tribes on how we can continue to make progress on Agency reforms.

Tribal consultation helps us focus on budget priorities. For example, funding for the Purchased/Referred Care (PRC) program, formerly called the Contract Health Service program, is a top budget priority of IHS and Tribes and has increased by 60 percent since 2008. This increased funding is making a difference. Four years ago, most programs were funding only Medical Priority 1, or "life or limb" referrals. In FY 2013, 15 out of 66 Federal PRC programs were able to fund referrals beyond Medical Priority 1. This means these programs are paying for more than just life or limb care and more patients are accessing the health services they need, including preventive services such as mammograms and colonoscopies. The increased PRC funding also means that the IHS Catastrophic Health Emergency Fund (CHEF), which used to run out of funding for high cost cases in June, now is able to fund cases through August.

In this budget request, the Administration demonstrates its commitment to self-determination by continuing its FY 2014 commitment to fully fund the estimated amount of CSC for FY 2015. Of particular importance for the FY 2015 budget is Tribal consultation on a long term solution for funding CSC, as requested in the Explanatory Statement accompanying the Consolidated Appropriations Act of 2014. The Explanatory Statement requested the Department of the Interior and IHS consult with Tribes and work with Congress and the Office of Management and Budget on long term accounting, budget, and legislative strategies. IHS will be engaging Tribes in multiple forums over the next several months to develop strategies for the long term CSC solution. A workplan on the plan for consultation is under development and will be submitted to Congress as requested.

Related to this is IHS' work to resolve all past claims for underpayment of CSC. IHS has heard the request from Tribes and Congress to accelerate the rate at which

the Agency is resolving past claims. As a result, IHS has devoted additional resources and staff to resolving claims for unpaid CSC with a primary focus on speedy resolution through settlement whenever possible. IHS must analyze each claim individually and comply with the multi-step process required by the Contract Disputes Act. IHS is working to resolve the claims expeditiously and also believes that the Agency and Tribes working together to resolve the claims will have the most benefit for our ongoing relationship. IHS is also improving internal business practices related to the CSC claims settlement process. IHS is also consistently reviewing methods to enhance collaboration and streamline the process, and has offered an alternative claim resolution process that is less burdensome for Tribes but still is fair and consistent for all Tribes.

This work is showing results. As of March 18, 2014, IHS has analyzed, or is in the process of analyzing, over 550 claims. Since *Ramah* and as of March 18, 2014, IHS has made settlement offers on over 200 claims for 31 Tribes. Of those claims, 34 claims have been formally settled with five Tribes, and an additional 68 offers have been accepted by eight Tribes and are in the process of settlement. This is a considerable increase from the three settled claims reported as of November 2013. The total settlement amount for claims that have been formally settled, or are in the process of settlement, totals over \$133 million. Our goal is to resolve the majority of currently pending claims with Tribes that are amenable to settlement and to extend settlement offers to all Tribes by the end of calendar year 2014. I personally have experienced the recent increased pace of our settlement process since I now receive emails almost every day from Agency attorneys requesting approval of settlement offers.

IHS is also continuing its work to reform the IHS. We are now focused on implementation and outreach activities to ensure that our patients benefit from the Affordable Care Act. We want every patient who visits our facilities to get education and assistance primarily from the business office, which is a place where every patient spends some time in our facilities. All of our sites have been working hard to educate our patients on the Affordable Care Act provisions.

We have also been working with national and regional Tribal organizations to conduct outreach and education on the benefits of the Affordable Care Act. Our partners include the National Congress of American Indians, the National Indian Health Board, the National Council of Urban Indian Health, and the Self-Governance Communication and Education organization.

Our internal reform efforts are focused on improving the way we do business and how we lead and manage our staff. Overall, we have implemented many improvements. To improve the way we do business, we are working with HHS and our Area Directors to improve how we manage and plan our budgets and improve our financial management. We are working to make our business practices more consistent and effective throughout the system. We are also working on program integrity and responding to recommendations from oversight agencies to ensure we are effective and using federal resources wisely.

We are also working on strategies to improve recruitment and retention, which are big issues at all of our sites. This includes working on specific activities to make the hiring process more efficient and proactive, and less time-consuming. We need to make sure the way we do business is not causing us to lose the opportunity to hire and keep quality staff.

We are also continuing work on our priority of improving the quality of and access to care for our patients. We have emphasized the importance of customer service, and we are also working on a number of initiatives to help improve the quality of care and promote healthy Indian communities.

One of the most important of these is our Improving Patient Care, or IPC, program. The IPC is our patient-centered medical home initiative that is designed to improve the coordination of care for patients. This is about making changes that will result in measurable improvements in patient-centered care, including reduced waiting times, more access to appointments, and improvements in the quality of care. The patient-centered medical home is a big focus of the changing health care system in the United States.

We plan to expand this initiative throughout the entire IHS system—currently we have 127 sites. Many of these sites are doing really outstanding work, including reducing waiting times, improving no-show rates, and arranging the system so that patients can see the same providers each time they come to the clinic, which results in better coordination of care.

A few other initiatives are also helping us improve the quality of care. The Special Diabetes Program for Indians (SDPI) is continuing its successful activities. In partnership with our communities, we can prevent and treat diabetes in Indian country with innovative and culturally appropriate activities. Our 2011 SDPI Report to Con-

gress clearly shows that the SDPI programs have done an incredible job of implementing activities to prevent and treat diabetes in the communities we serve. The data in the congressional report shows that the SDPI programs have dramatically increased access to diabetes treatment and prevention services. For example, access to diabetes clinics has increased from 31 percent to 71 percent of grant programs from the 1997 baseline before SDPI funding to 2010. Based on local needs and priorities, the SDPI grant programs have implemented proven interventions to address the diabetes epidemic, often where few resources existed before.

The most important impact of these combined and sustained clinical improvements is seen in the dramatic drop in the rate of end stage renal disease (ESRD) in American Indian and Alaska Native people with diabetes when compared with other racial and ethnic groups in the U.S.

Between 1995 and 2011, the incident rate of ESRD in American Indian and Alaska Native people with diabetes fell by nearly 39 percent—a greater decline than for any other racial or ethnic group. Given that the Medicare cost per year for one patient on hemodialysis was \$82,285 in 2009, this reduction in the rate of new cases of ESRD means a decrease in the number of patients who would have required dialysis—translating into millions of dollars in cost savings for Medicare, IHS, and other third-party payers, as well as improved quality of life for patients who do not need dialysis.

Diabetes health outcomes have also improved significantly in American Indian and Alaska Native communities since the inception of the SDPI. One of the most important improvements has been a 10 percent reduction in the average Hemoglobin A1C levels of American Indians and Alaska Natives with diagnosed diabetes. Improved blood sugar control contributes to reductions in complications from diabetes. This FY 2015 President's Budget request includes a proposal to reauthorize the SDPI for another 3 years to maintain and build upon this important progress.

We are also focusing on behavioral health issues, which Tribes have identified as a top priority. IHS is making progress on implementing its recently released National Behavioral Health Strategic Plan and its National Suicide Prevention Plan. And the evaluation data from our Methamphetamine and Suicide Prevention and Domestic Violence Prevention initiatives show very promising results as the programs are implementing evidence-based strategies.

IHS has a lead role in the First Lady's *Let's Move! in Indian Country* initiative, which includes our IHS Baby-Friendly Hospital initiative and a collaboration with the Notah Begay III Foundation involving activities to prevent childhood obesity. We are promoting breastfeeding in all IHS hospitals because it has been shown that breastfeeding can reduce childhood obesity. We are also encouraging all tribally-managed hospitals to join us in this effort.

We have also established a new hospital consortium to work on improving quality and maintaining accreditation requirements in our hospitals. We plan to establish a system-wide business approach to accreditation.

We are meeting regularly with the Department of Veterans Affairs (VA) to implement activities to better coordinate care for American Indian and Alaska Native veterans who are eligible for both VA and IHS care. We have also implemented the VA-IHS national reimbursement agreement at all federal facilities and are billing and receiving reimbursements from the VA for direct care provided to American Indian and Alaska Native veterans.

We have accomplished a great deal as we work to meet our priorities, and this is reflected in our Government Performance and Results Act (GPRA) measures. In FY 2011, for the first time ever, we met all of our clinical GPRA measurement goals. In FY 2012, we did great again. And the results are now in for 2013, and once again, we met all of our clinical targets. We are very proud of all the IHS and tribal sites that worked so hard to make improvements in the quality of the health care that we deliver. Our focus on improving the quality of care, along with more accountability system-wide, is making a difference. But we know that we still have much more to do.

In summary, we are working hard and in partnership with Tribes to change and improve the IHS through our reform efforts, and we thank you for your support and partnership. The increases IHS has received in its budget over the past few years are making a difference, and we look forward to working with you on the President's FY 2015 Budget request to help continue progress. Although we are in a challenging fiscal environment, the work of the past few years has clearly established that by working together, our efforts can change and improve the IHS to ensure that our AI/AN patients and communities receive the quality health care that they need and deserve.

Thank you and I am happy to answer questions.



The CHAIRMAN. Thank you both for your testimony. We very much appreciate it. Thank you for the work that you do.

I will start with you, Kevin. If I'm the only one here, we will probably ask questions for a while. Then you can take a break and we will go to Dr. Roubideaux.

This year's budget, as already pointed out, has a 1.2 percent increase over last year's enacted levels. There is a chart up there that you can see of the Interior allocations. I am not saying the National Park Service should not get 22.2 percent, because our national parks are in disrepair. I am not saying that the BLM should not get 6.1 percent because the BLM needs resources to be able to do their job.

What I am saying and what you know much better than I is the challenges out there in Indian Country across this country. Their increase is almost at the bottom, yet we have so many challenges out there.

I don't know how your life works. I don't know if you come in and say we need a 5, 10, or 20 percent increase over last year and they just whittle you down and keep whittling you down until you get to 1.2 percent or if you come in at zero and hope they give you 1.2 percent. The chart is not right, it says 1.5 percent. It is 1.2 percent, lower than that.

How do we get budgets that will work? I know you have to shed the best light you can on this budget but this needs some work. Give me an idea of what you are up against? Who do we need to talk to? Who do I need to get Senator Udall or Senator Johnson to talk to so we can get some of these figures up so the people and the agencies can do the job? It will help morale and help folks on the ground.

Mr. WASHBURN. You put these charts up and they look pretty bad. I feel there are some apples and oranges going on in these charts.

I won't quibble with it too much except to say I think we would provide different data and it would look a bit different the way we would present it. For example, over the last five years, in the Obama Administration you would find the President's budget request for Indian Affairs has been higher than for any other agency at the department.

If you pick out one year, you can cherry pick figures and make it look bad. You are also comparing tiny budgets to big budgets. Our overall budget is about \$11 billion at the Department of Interior. Ours is \$2.6 billion, so it is a big chunk of that. Some of these offices are tiny offices that \$1 million can make a 10 percent swing in the office if it is a \$10 million office.

I guess we would quibble with this but the question is how do we come up with these budgets. We work really hard and the Secretary made a real commitment this year and really went to bat for the Indian Affairs budget. Compared to the really big budgets at the Department of Interior, we did okay.

If you compared apples to apples, I think you would find we didn't get the request the National Park Service got for their centennial year. There is a special occasion this year for them next year and there is also this Opportunity Growth and Security Initiative built into these numbers that you have presented.

We didn't quantify our request for that initiative. It is in there. We have a request for Indian education in that initiative but we didn't put a number figure. We kind of got shellacked here because we didn't attach a number to the Opportunity Growth and Security Initiative which is the President's way of saying if we do get more money than the Murray-Ryan caps provide, we are going to put a significant amount into Indian education.

I am not sure this graph is entirely fair.

The CHAIRMAN. That is a fair statement but here is what we will argue. When you talk about this Administration putting in record amounts of money, especially compared to previous administrations, that is apples and oranges too because the previous administrations haven't exactly been stellar when it comes to Indian Country.

I would just say this. It comes down to things within these programs and we can go down the list and you can pick any line item and say it is deficient. Honestly, you might be able to do that with the other budgets also but in this case because of the trust responsibility we have and treaty responsibilities we have, it is different.

I know where your heart is. I just think we need to figure out how we can work together to make this happen.

The only other question I have is I know OMB plays a role in all this budgetary stuff. Sometimes they are the hammer that pares back things. I would like your honest assessment. Does OMB know about the trust responsibilities and treaty rights that this country has for Indian Country?

Mr. WASHBURN. Mr. Chairman, they have actually learned a lot. I have to say they have really been much more engaged with tribes over the last few years. I think they really have gotten onboard and gotten much more engaged with tribes.

I think it might be fair to say they are sort of the adults in the room who say hold on a second, we have to meet these Murray-Ryan budget caps so we cannot give you everything you dream of; we have to pare it back a little bit, but they do have sense of the trust responsibility and have been learning a lot.

The CHAIRMAN. I appreciate that.

We are going to do something a little different. I am going to go down the line. I want seven minutes on the clock for questioning because I think there are two people here who are pretty important to everyone on this Committee.

I will start with you, Senator Johnson. You can do it with an opening statement or go right into questions, whatever you prefer.

Senator JOHNSON. I will give my opening statement for the record.

**STATEMENT OF HON. TIM JOHNSON,  
U.S. SENATOR FROM SOUTH DAKOTA**

Senator JOHNSON. Mr. Washburn, I appreciate the BIA is focusing on reducing repeat incarceration in Native communities. However, tribes are still struggling with the lack of infrastructure.

Tribal law enforcement and agencies need detention centers that are not falling apart and tribal courts need integrated courts for drug and mental health issues. How is the Department planning on addressing this infrastructure issue?

Mr. WASHBURN. Thank you, Senator Johnson. We have increased our funding request for detention facilities in Indian Country. We have 96 existing detention facilities. As Chairman Tester said in the beginning we have about 180 schools. I don't like those numbers. I wish we had a lot more schools than detention centers. The fact is we don't take care of either one of them enough.

In the fiscal year 2014 budget, we had a \$14 million increase for detention facilities and because we just got our operating plan finalized about a month ago, that money is just now to a place where we can use it. That money is continued into the fiscal year 2015 budget request so there will be more money available.

We fund the detention programs at about 55 percent of need. That is not enough. Many of the poorest tribes cannot afford to come up with the other 45 percent. This is going to be an ongoing challenge for us but we are working hard to meet it.

Senator JOHNSON. Too often I hear from South Dakota BIA funded tribal schools that they much continually use ISEP funds to pay the heating and electrical bills. Can you please explain why the President's budget does little to alleviate the burden of administrative costs, facilities operations, and maintenance costs?

Mr. WASHBURN. You are asking that question at a very stressful time for tribes and for the Administration. The cost of propane this winter was a serious problem in your State and that really ate into those funds.

We pay for our maintenance program out of the same funds, we pay for our electric bills and the propane bills. If you use up all your money on propane, it doesn't leave a lot for maintenance and repairs and that sort of thing. That has been a real challenge to all of us.

We hope that is a one year problem and that the costs will not repeat themselves. We have also worked on other strategies of trying to pay in advance for propane so that we are paying a more flat rate rather than dealing with the ups and downs in the market. We are exploring ways to deal with those problems.

It is a tough fiscal environment. We are trying to do a lot with a little amount of money.

Senator JOHNSON. The expense of propane exacerbates things. This issue has long been in existence, the use of ISEP funds for overhead.

Dr. Roubideaux, you noted the dramatic increase in funding for the Purchased Referred Care Program. However, in a recent GAO study, this program was given poor marks on the handling of medical claims. Recently a South Dakota dialysis clinic reported to me that the business has thousands of dollars of unpaid claims and a number of patients were left to foot the bill because their life-sustaining dialysis treatments were not a high medical priority.

Can you please address how IHS will improve both the claims process and approval of referred patient services?

Dr. ROUBIDEAUX. Thank you for that question. We will have our staff connect with yours about that particular provider and that particular issue.

The Purchase and Referred Care Program, how we pay for referrals, we have been working very hard to try to improve our ability to process and pay for those referrals and have been working on

education with outside providers on eligibility, looking at our billing process and the GAO report you mentioned looked at how we are measuring our progress. We are implementing recommendations from that report.

We want to do everything we can to make sure we can pay or authorize referrals in the quickest time possible. We definitely want to work with you on this issue.

Senator JOHNSON. The Sanitation Facilities Construction Program provides critical water supply and disposal for individual homeowners and projects.

As Chairman of the Banking, Housing, and Urban Affairs Committee, it is important to me to find solutions to our critical housing needs. With a tremendous need for water systems in Indian Country, how will IHS continue to work with tribes and other agencies to address the need for this critical infrastructure without a budgetary increase?

Dr. ROUBIDEAUX. We are very interested in finding solutions in this area because you are correct, there is an incredible need.

One of the things we have done in the past year is signed an interagency memorandum of understanding with other Federal agencies to try to leverage other resources and look at what legal or regulatory things might be getting in our way. That MOU is with EPA, HUD, DOI and the Department of Agriculture.

That will help us make sure we can look for some creative solutions to this very significant challenge.

Senator JOHNSON. I yield back.

The CHAIRMAN. Senator Udall?

**STATEMENT OF HON. TOM UDALL,  
U.S. SENATOR FROM NEW MEXICO**

Senator UDALL. Thank you very much, Chairman Tester. I really appreciate being here with you as our new Chairman.

I want to completely identify with the frustration of the Chair and the passion he spoke of in terms of the budgets and looking at these charts. He has outlined something and I would adopt his comments.

In addition, I would point out it has been absolutely devastating, the long terms effects sequestration has had on Indian Country. Dr. Roubideaux, the IHS was the only direct medical service agency that was subject to full sequestration cuts. Medicare, Medicaid, children's health insurance, veterans affairs, all were either exempt or received a smaller cut of 2 percent.

According to your testimony in April 2013, you estimated that the reduction would include 3,000 in-patient admissions, 804 outpatient visits and this was a painful, unnecessary, arbitrary cut to communities that can ill afford them.

I am not going to go on and on. I will put the statement in the record because I want to ask you questions on BIE.

It is important we get the figures out there. BIE schools lost \$42.2 million as a result of sequestration. This had to be absorbed by 183 already underfunded schools.

Tribal Head Start programs lost \$11.9 million as a result of sequestration, impacting 25,000 children in 26 States.

The Bureau of Indian Affairs, Office of Public Safety had an \$18.3 million sequestration cut and I could go on and on. I know you both know and understand this very well. I would be interested as we proceed with the hearing how these cuts are going to affect us in terms of moving forward.

[The prepared statement of Senator Udall follows:

PREPARED STATEMENT OF HON. TOM UDALL, U.S. SENATOR FROM NEW MEXICO

I would first like to thank Chairman Tester and Vice Chairman Barrasso for holding this important hearing. I am glad to see my friend Assistant Secretary for Indian Affairs, Kevin Washburn, here today. I look forward to hearing from him, as I do the rest of this distinguished panel, as we discuss the President's FY 2015 budget and the impact on Indian communities.

I'd like to begin by addressing the devastating and long-term effects sequestration have had on Indian Country. The IHS was the only direct medical service agency that was subject to full sequestration cuts. Medicare, Medicaid, Children's Health Insurance Program, and Veteran's Affairs were all either exempt, or received a smaller cut of 2 percent. According to her testimony in April 2013, Dr. Roubideaux estimated that reduction would include 3,000 inpatient admissions and 804,000 outpatient visits. This was a painful, unnecessary, arbitrary cut to communities that can ill-afford them.

The BIE schools lost \$42.2 m as a result of sequestration. This had to be absorbed by the 183 already underfunded schools. Tribal Head Start programs lost \$11.9 million as a result of sequestration, impacting 25,000 children in 26 states. The Bureau of Indian Affairs Office of Public Safety had a \$18.3 sequestration cut. The Indian Housing Block grant program was cut \$34.5m by sequestration. And the cuts continued. I will be interested in hearing how these cuts affect programs moving forward.

Contract support costs are a vital part of tribal self-determination and self-governance. I think everyone here can confidently acknowledge the positive outcomes that have resulted from tribes having the option to contract and carry out their own services. Unfortunately, funding for contract support costs has consistently fallen short, and I look forward to addressing with Dr. Roubideaux the steps being taken to address the underpayments, in addition to hearing from Mr. Washburn how the budget will try to anticipate these costs.

I look forward to working with my colleagues on this Committee to help address the long-standing issues facing Indian country. I am encouraged by the administration steps to take seriously our responsibilities to Tribes, and look forward to hearing how the President's budget reflects that commitment.

Senator UDALL. Let me ask a couple questions. Dr. Roubideaux, I appreciated your testimony about the work the Indian Health Service is doing to address outstanding claims for contract support costs. As you noted, these have real impacts on tribes, including tribes in New Mexico. However, while you have reported considerable progress overall, your agency has stated that of the 93 claims, zero have been settled and 81 are still pending.

What will you do to work with me and the Committee to ensure that tribes receive the settlements they are entitled to?

Dr. ROUBIDEAUX. We are absolutely committed to working with you to try to resolve these past claims for contract support costs as quickly as possible.

If you look at the claims in New Mexico, I think since we sent you information, I think in my in-box a settlement offer to one of the tribes popped up and I approved it. We will see how that negotiation goes. We have also completed four analyses and have 15 claims on the priority list for New Mexico.

We are working very hard and know that tribes need this funding, they know it is owed to them and we want to work very hard to resolve these claims. We are working hard. The numbers are

changing on a daily basis, so I am glad to be able to give you a little update.

Senator UDALL. I hope you will update us and keep us apprized because as you have said, these contract support costs are absolutely crucial for self determination and for the tribes to be able to move forward with the things they believe are important to them.

We have an Indian center in Gallup called the Gallup Indian Medical Center. It has long been on the list. It is a facility that needs to be renovated, if not replaced. At this time, how is the IHS creatively thinking to advance the management of facilities and construction to update or improve or replace these outdated facilities and what other sources of funding, what greater use of Tele-health or emerging models of care are you contemplating to address this concern now and in the future?

Dr. ROUBIDEAUX. We are absolutely trying to do everything we can to address the health facility construction needs in Indian Country and they are enormous. The current priority list, which Gallup Indian Medical Center is on, has \$2.1 billion of construction left on it.

In addition to our President's budget, the Opportunity Security and Growth Initiative has the \$200 million increase for health facilities construction. We do hope that gets good consideration.

We do a lot of creative things. The average age of our facilities is 20–30 years, so we do things like save our third party collections. Gallup Indian Medical Center was very innovative and was able to build an entire outpatient center doing that.

We look at leasing sites, we look at other innovative things like modular construction, and we look at what kinds of repairs we can make. Tele-health is an area that really does help us expand services without having to do construction. New Mexico leads in that with several programs that are happening and help get services to rural areas.

In terms of delivery models, I think there is a lot of change with the changing health care delivery system. We are working on our Improving Patient Care Initiative which looks at reorganizing the clinic to make sure patients waiting times go down and there is more availability of appointments, with more of a team approach to care. In some cases, that involves reorganizing the actual space in the clinic to be more efficient.

We are working on some of those things, but we know funding is the quicker answer and we are working on that as well.

Senator UDALL. Thank you.

Assistant Secretary Washburn, you heard me talk a bit about the impacts of sequestration. Moving forward and coming up with your budget, what are you trying to do, as best you can, to fill the holes and make a difference in terms of the cuts that have happened and how we are going to move forward to deal with what has happened in the past?

Mr. WASHBURN. You are right, a lot of the tribes are still feeling the sequestration because we did not backfill the five percent that got cut. First of all, we paid full contract support costs in the 2014 year when we did get funding, so we couldn't backfill the five percent because we had other purposes for that money suddenly.

We did a few other things we felt were important in the law enforcement area and a little bit in education. We are doing the best we can and tribes are frustrated and struggling. We are in tight fiscal times. As long as we are in tight fiscal times, it is going to be hard to get out of this.

Hopefully with the economy improving, we won't get another sequestration, we will get past the Murray-Ryan budget caps and go back to regular order where we can ask for what we need rather than trying to live and fit into really tight caps. We are working hard on that. I just came from two days of budget meetings with tribes and they are really feeling the pinch.

Senator UDALL. Thank you very much. I know you are both working very hard to try to remedy some of this.

Thank you and I yield back.

The CHAIRMAN. Senator Begich.

**STATEMENT OF HON. MARK BEGICH,  
U.S. SENATOR FROM ALASKA**

Senator BEGICH. Thank you, Mr. Chairman.

Thank you both for being here today and thanks for the work that you do for Indian Country and Alaska Native communities throughout my State.

As you know, we have the most remote parts of the country and some of the most difficult challenges be they from health care to education to infrastructure and many other things. Thank you all very much for being here.

Dr. Roubideaux, thank you for your work at the Indian Health Service. I know at times we have pushed back quite a bit here and I am trying to get some resolution. Let me follow up quickly on the data point you were sharing with Senator Udall.

I would love to see you submit something to the Committee with regards to how many cases are still pending overall, how many are being actively pursued for resolution and how many are still kind of out there getting scheduled and what those time schedules would be.

If you could answer that now, it would be great. If you can submit something, that would be even better. If you can answer that, I also have some additional questions in regards to the past claims issues.

Dr. ROUBIDEAUX. For contract support past claims, we have heard from Congress and tribes that they wanted us to accelerate the claims process, so we committed additional resources and staff.

Currently, there are 1,200 claims pending but we have about 550 of those in analysis or the analysis is done. We have actually made offers on over 200 claims from 31 tribes. The total amount of claims that either there have been offers formally settled or accepted and in the process of settlement is about \$133 million worth.

Our progress definitely over the past couple of months has increased and we are working hard to continue that increase because we know it is important that we settle those as quickly as possible.

Senator BEGICH. Do you think you would be able to give to the Committee, with the numbers remaining in the process, what that schedule would look like timewise? It doesn't have to be specific but you expect another x amount of cases settled in x amount of time.

Is that something you could tell me now or submit to the Committee so that we have a good sense of how that progress will move?

Dr. ROUBIDEAUX. We would like to work with you and give you frequent updates on that. It is hard to estimate because some of the cases are in Federal court.

Senator BEGICH. Yes, and some are more complicated.

Dr. ROUBIDEAUX. Some are more complicated and the negotiations are in process. The one thing we can control is getting settlement offers out to the tribes. That is our primary goal right now, as soon as possible to get settlement offers out to the tribes.

Senator BEGICH. That is the 550 where you have done an analysis. From that 550, 200 of those are in motion or have been resolved and the remaining amount are ones you could make offers to at some point because now you have an understanding of where the parameters are. Is that a fair statement?

Dr. ROUBIDEAUX. Yes. We have worked collaboratively with the tribal lawyers on this and have negotiated. I am really seeing progress in my email inbox every day or offers that I approved. I approved one while I was waiting for the hearing.

Senator BEGICH. Let's stop the hearing and you continue to approve a few more.

Dr. ROUBIDEAUX. We are seeing the numbers go up like that, so I am pretty confident we can make significant progress this year.

Senator BEGICH. That is very good.

As you know, I have had regrets about this initiative and sometimes I know you felt too aggressive from me maybe, but this is important. It is contract provided services and we need to settle them so we can move forward.

The next question I have, which I think is a great statement, 2014 and 2015, and now the 2015 budget has full funding of contract support services. We greatly appreciate that. I want to make sure that at some point you will put together a more detailed plan of how you can maintain that.

One of the big concerns people have is maintaining that may mean other services get squeezed within the overall Interior budget and/or within budgets like BIA and others. I don't know if you are planning to submit something to the Congress or the Administration, but this is something I would be very interested in.

Now you have two years under your belt, one year and moving to two years, hopefully, and that piece of the puzzle, it is very important that it's sustainable, long-term and full funding. Is that something you could provide at some point, your plan of action?

Dr. ROUBIDEAUX. Yes, sir. The Consolidated Appropriations Act of 2014 required a work plan to be submitted within 120 days. That is due in May. We are very interested in working with all of you on the long term solution for contract support costs, to be able to determine the more predictable amounts and that would work in the overall budget formulation with other priorities.

Senator BEGICH. In May when you submit that, is that to us and the Administration or is it the Administration first and then to us?

Dr. ROUBIDEAUX. Yes. It goes through our clearance and then goes to Congress. We are happy to discuss it with you before we



develop the plan. It is a plan for consultation on the issue because we want to develop this in consultation with the tribes.

Senator BEGICH. Perfect. May is 30 some days away.

Dr. ROUBIDEAUX. Yes.

Senator BEGICH. Also, as you know, I am a lead sponsor on the advance appropriations bill for Indian Health Services which I know about a year ago we asked for the position you would have on that. Do you have any new information you can share? Do you support that legislation or does the Administration have a position? Can you give me your thoughts on that?

Dr. ROUBIDEAUX. We are very happy to work with this Committee on this issue. We know it is a top tribal priority. It would be so good to have more predictable and stable funding levels.

Senator BEGICH. Can I take that as you are supportive of the concept in the legislation and we could talk about the details?

Dr. ROUBIDEAUX. We just saw the legislation and are now reviewing it. We are talking with the VA to see their experiences. We are hoping to have more definitive information for you.

Senator BEGICH. I would love that soon. I know we have done it with the VA very successfully. I actually have a bill for the VA also to finish out their discretionary advanced funding. Between VA and Indian Health Service, it would make a huge difference long term.

I know we have done it on the medical side of VA. I supported that when I first came in. Now I have the bill for VA on discretionary and also now Indian Health Services. I would love your thoughts on that.

I have some other things I will submit for the record. If I could jump very quickly to Mr. Washburn, we have talked about public safety issues. Based on conversations we have had publicly and privately, there is always great stress on your budget but tell me your thoughts on how we are going to go after the issue based on the report.

We had a hearing here in regards to the report done on the needs not only in Alaska but across the country in public safety and how we can get these more unified and also how and what you need to be successful.

I can tell you in Alaska, the incarceration rate with the Alaska Native population is double the population percent which is unacceptable. As you know, I have a bill which I think in a week along with other bills, we will be doing a hearing on. I would love to hear your thoughts on what you think we need to be doing. Obviously we are not doing enough. I don't mean that in a negative way but we just are not.

Mr. WASHBURN. Senator Begich, thank you for your leadership on the contract support cost issue. You have made a difference there and it has been helpful.

The law enforcement issues are important. I think we have increased funding over the Obama Administration. That is the area where we probably have already increased funding the most in our budget or it is close to it. It is one of the highest priorities. I just came out of two days of budget meetings with tribes, including the Alaska region, where law enforcement, once again, was one of the highest priorities.

It is no small challenge to try to start funding 229 Native villages and 109 tribes in California in addition to the ones we are already under funding. During really tight fiscal times like we are in, I am not sure if we can make a big impact on that.

Senator BEGICH. It is a resource issue.

Mr. WASHBURN. It is a resource issue and requires changing our paradigm about how we do this stuff because in Public Law 280, States like yours, we just don't fund very much law enforcement. That is a problem. Those tribes have public safety issues as well.

Senator BEGICH. Serious issues.

Mr. WASHBURN. Absolutely.

Senator BEGICH. I know I am out of time, Mr. Chairman, but I will submit other questions for the record if that is okay.

The CHAIRMAN. Absolutely. Thank you.

Senator Barrasso, we appreciate your being here. We appreciate your courtesy for the previous ones.

**STATEMENT OF HON. JOHN BARRASSO,  
U.S. SENATOR FROM WYOMING**

Senator BARRASSO. Thank you, Mr. Chairman, for holding this hearing on the President's Fiscal Year 2015 budget request for tribal programs.

We all recognize the Federal Government has important responsibilities in Indian Country. Public safety, education and health care are just a few. Carrying out the responsibilities requires money and as I have stated before, priorities and spending will receive increasing scrutiny, especially with the enormous Federal deficit.

Agencies are called upon to find a more efficient manner of operating and promoting economic development, especially and particularly for Indian communities. Earlier this month, I introduced S. 2132, the Indian Tribal Energy Development and Self Determination Act Amendments for 2014.

This bill is going to streamline the bureaucracy of Indian energy resource development and in turn facilitate long term job development and economic growth.

Secretary Washburn, I have a couple of things.

In reading the testimony from both you as well as from Dr. Roubideaux, you highlight several behavioral health initiatives as top priorities, appropriately. The Bureau of Indian Affairs proposes a new family initiative to address violence and substance abuse within Indian communities related to what Senator Begich talked about in terms of crime.

How is your agency coordinating with tribes and the Indian Health Service to effectively implement these interrelated initiatives?

Mr. WASHBURN. Our Tiwahe Initiative, our family initiative, is a request for the fiscal year 2015 budget which we do not have yet. Let me say we have already started planning in the hope we will have it funded and it will require coordination.

So far it is an initiative in concept. We have not had lengthy conversations with our partners in IHS and elsewhere about that but that is certainly something we need to do. We need to take a much more holistic attitude towards these problems.

Senator BARRASSO. I appreciate your efforts and direction.

I mentioned the energy bill I introduced again this session. Your written testimony notes that the Bureau of Land Management is requesting \$16.9 million for programs such as oil and gas to support Native Americans.

The Bureau of Land Management also requested a \$6,500 fee for submitting an application for a permit to drill for energy. The Bureau of Land Management has stated in recent budget justifications that this fee is to offset the application processing costs.

I am looking for an explanation in detail of what makes up those processing costs for the applications for a permit to drill?

Mr. WASHBURN. Thank you for your leadership on Indian energy issues. We know you are concerned about those and have been a constructive partner on those issues.

I can't tell you what all the specific costs are. We probably need to get someone from BLM to do that better. I will tell you there has always been frustration about how slow we are to issue our APDs at BLM. The good news about those costs is they go to offset the costs so that BLM can process more of those. That is a good thing because it requires the people who want to drill to bear the cost of the drilling, the processing costs and the government.

I am not sure exactly what each of those costs is but we work very closely with BLM on processing these APDs. We have a part to play and they have a role to play as well. That is one reason why, Mr. Chairman, those figures you put up on the board where you say BLM is funded higher than BIA, some of the BLM money actually benefits Indian tribes also. That happens and that is why some of those figures aren't so obvious.

We would be happy to get back to you with a clearer answer exactly accounting for those figures.

Senator BARRASSO. I'd appreciate it.

Dr. Roubideaux, we talked a little bit in the past about the cost to construct all facilities on the current Indian Health Care Facility Priority List. It is over a billion dollars. I think in your testimony was it was \$1.2 billion. I'm sorry, over \$2 billion, I can't read my own writing.

I have also emphasized to you a number of times that the primary health care facility on the Wind River Reservation in Wyoming is nearly 140 years old. We have only been a State in Wyoming for 124 years. It was there before we became a State.

It would astonish everyone in this room, I would imagine, to know that the facility is not even on the priority list. We are talking about a priority list of \$2.1 billion and it has not even made it to the priority list yet.

The last time I asked, you said you would be happy to work with us. I just want to know what has happened since we last visited? Have you personally worked with the Wyoming tribes to develop a plan and a timeline for addressing their facility needs?

Dr. ROUBIDEAUX. We address the facility needs in a number of ways. The first is the list which by law we have to address all of those facilities but we do have other ways to address health care facilities construction. I know Wind River has been interested in the joint venture program.

The good news I have to share today is that we are approving the last three agreements from the last round of applicants. Wind River is one of them. We can move forward with that joint venture agreement.

We also plan to open a new round of applications for joint venture later this year. We are trying to look at other innovative ideas in addition to trying to fund the Health Care Facilities Construction List and trying to move forward on some of these other programs.

Senator BARRASSO. Hopefully we can continue to work together on this because it continues to be an issue of concern for many.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Murkowski.

**STATEMENT OF HON. LISA MURKOWSKI,  
U.S. SENATOR FROM ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman.

Welcome to you both, Mr. Washburn and Dr. Roubideaux. Thank you for all that you do.

From a budgetary perspective today, I am going to focus my questions on some of the programs that really have impact on our tribal governments and our village clinics. These are the small and needy tribes account at BIA and the Village Built Clinic Lease Program at IHS.

We have clearly seen the benefit of these programs but considering these programs keep the village governments, and the village clinics open, it is important we pay attention to them as priorities.

Oftentimes they get kind of swept under with all of the other big things we are dealing with. I appreciate the discussion you have had with Chairman Tester as well as Senator Begich on contract support costs and the advances we have made which were long and hard fought but I think we are on the right track. I agree with Senator Begich, we need to make sure that it continues on that track.

I am also very curious, Dr. Roubideaux, to hear greater clarity from the Administration in terms of our request on the advance appropriations. That is an area where I look at the trust responsibility we have to our Native people which is akin to our obligation to our veterans.

If we can provide greater certainty to our veterans, if we can assure that during times of furloughs and cutbacks that they don't see that reduction, I would certainly like to think that we can afford the same to our Native people as well. I would be curious to hear your response to that.

Mr. Washburn, on the small and needy tribes issue, the BIA budget justification describes the background behind the small and needy tribes account, the initiative that was advanced in the early 1990s. It was the 1994 Joint Tribal Advisory Task Force on BIA Reorganization that made the recommendation to provide the small tribes with a base of \$160,000 and in that, the recommendation for Alaska tribes was \$200,000 as a base. Of course we know that this has never been met.

You always feel you have to make a special case but we know, you know, both of you, that the costs in rural Alaska are tremendously high. Utility bills are eight to nine times higher than they

are in the lower 48. In Noatak, in the northwest Arctic area, they are looking at energy costs of 87 cents a kilowatt hour as compared to about 11–11.5 cents in other parts of the lower 48.

The cost to keep the lights on and the cost to heat a building is extraordinarily expensive for our tribes. Given the minimum amount of funding they receive, it is not penciling. Our tribal populations are growing. We have seen a 19 percent increase in the Bering Strait region in the past ten years.

Population has gone up, costs are going up and yet, the assistance for our small and needy tribes has not moved. I guess the question to you, Mr. Washburn, is given what we have seen within BIA necessary budget increases for public safety and school operations, and I am not complaining about it, we know these programs are not eligible for our Alaska tribes.

Can you give me any kind of commitment or assurance that we might see a base funding level to Alaska tribal governments of the \$200,000 that was recommended in that report? What is the future of this?

Mr. WASHBURN. I am relatively new to this issue, so I guess I would like to take it back and respond to you in writing.

We do have a Small and Needy Tribes Program. It sounds like you are saying we have a shortfall that we don't provide \$200,000 to each of the Native villages in Alaska. My understanding is we only have about five tribes in the lower 48 still involved in the Small and Needy Program because the base of \$160,000 has been eclipsed by the regular funding.

The idea behind the Small and Needy Program was it sort of provided a base funding in case your ordinary funding didn't rise to \$200,000 or \$160,000 in the lower 48. We can look at that. We can look to see what the shortfall is and talk to you more about that and try to figure out what is the shortfall and what is needed to solve that. With 229 Alaska Native villages and \$200,000 for each, we are talking real money.

Senator MURKOWSKI. We are talking real money. I clearly understand and appreciate this. I also appreciate your willingness to take a look at it if you are not familiar with it. Again, some of the programs available for our tribes in the lower 48 through BIA are simply not available to the Alaska tribes.

If we are going to treat all of our Native people on some level of funding parity, I think this is an area we need to be looking at. If you are willing to explore it with your staff and mine sitting down, I would certainly welcome that.

Mr. WASHBURN. We would be happy to.

Senator MURKOWSKI. Dr. Roubideaux, we have had good opportunity to talk about the success we have seen with our dental health aid therapy program in our tribal communities. I think it is something we point to as a source of pride, an innovative way to be able to provide for oral health care needs of our Native people in areas where we are not going to see dentists out there on a regular basis.

I have been pleased with how we have built that forward. It is important that we continue to see the support of the DHAT program in the budget process in order to see these improvements in access to the care.

The other program that we follow closely, on which you and I have had a conversation, that is essential to delivering basic health services in our remote Native communities is the Village Built Clinic Lease Program. The Indian Health Care Improvement Act mandates that IHS develop and operate the community health aid program of which the funding for the VBCs, these leases are essential. The Village Built Clinic Program that really helps keep our health clinic doors open.

Going back to the rising costs that we see directly related to energy that impacts our utilities, VBCs only cover 55 percent of clinic operating costs. IHS has not increased the lease rental since 1989. I know we have had a chance to talk about it before. In previous conversations, you indicated this was something you would like to look into to gain a better understanding.

I really think we are in a situation and I hear from so many of our tribes that they just don't know where to turn. It would appear that some of our more remote communities are just kind of forgotten. I cannot forget them, will not forget them.

My question to you with both these programs is, the Dental Health Aid Therapy Program and the Village Built Clinic, what are you doing to address both of them within the context of this budget we have before us?

Dr. ROUBIDEAUX. We definitely see the success of the Dental Health Aid Program in Alaska. We actually posted on my director's blog a very positive position paper showing our support for that program. In terms of the budget formulation process, we definitely want to continue to work with you on that and also on the Village Built Program.

As I think about all the programs in Alaska are 638 and there is the ability to rebudget their programs. We are proposing an increase in medical inflation in 2015. I wonder if maybe that kind of increase gives tribes the flexibility to put funds into different areas they might have a need.

We are interested in talking with you more and working with you. I know a work group has been formed in Alaska and I believe there is some new information they want to share on the needs related to village built clinics. We are definitely willing to continue to work on this issue with you.

Senator MURKOWSKI. My time has expired so I will be very quick. Are you saying that contained within your fiscal year 2015 budget, you think you have funding flexibility with this inflation factor or not?

Dr. ROUBIDEAUX. Because the tribes manage the programs under the ISDA contracts and compacts, they can rebudget and reprogram however they want. As we look at the increases in the budget, we are proposing a \$63 million increase in medical inflation. It is really up to the tribes how they use those funds. That might be a way to address some of these needs.

Senator MURKOWSKI. It is not necessarily taking it from another budget category where we are arm wrestling with somebody else?

Dr. ROUBIDEAUX. This is on top of. In particular, we have talked about the hospitals and clinics line item and the medical inflation increase does include increased funding for the hospitals and clin-

ics line item. Under the ISDA, tribes are able to rebudget funds however they want.

Senator MURKOWSKI. Is there anything separate for VBCs, for the village built clinics?

Dr. ROUBIDEAUX. There hasn't ever been a separate line item for village built clinics in the budget. There was conference language that mentioned it many years ago, but it really can be in the hospital and clinic line item and any funds could be used towards leases in that particular line item. That is part of the great thing about tribal management, the flexibility with ISDA.

The challenge, of course, is there are many other priorities and each tribe makes decisions about what they need to fund. We are hoping that this increase in medical inflation, once it gets to the local level, each tribe can make choices about how they allocate those funds.

Senator MURKOWSKI. I would be interested in learning a bit more about that. I recognize we can have very successful, innovative programs like the DHAT Program and have these programs like VBC that have been critical in maintaining these clinics but we have to make sure that we have the funds in the budget to allow for that going forward.

As you gain more information from some of our tribes on this and we can better understand what is going on within the medical inflation account, perhaps we can build on that.

Thank you, Mr. Chairman. Thank you for the additional time.

The CHAIRMAN. Absolutely. Thank you, Senator Murkowski. I appreciate your line of questioning.

Secretary Washburn, over the last month and a half I have toured most of the reservations, some of them twice. I will tell you they have some great new facilities I can think of across Highline 3, as a matter of fact, that have facilities that are brand new that aren't open and they are done. They are not open because they don't have staffing.

I was wondering how your department works with other Federal partners, DOJ, the Indian Health Service, the Department of Education, to ensure that operations and maintenance expenses are being fully funded for these new facilities because it is really frustrating that we have literally state of the art facilities that are either partially open or not open at all.

Mr. WASHBURN. To the extent those are detention facilities, we fund our existing detention facilities at 55 percent of need, which is not adequate. Tribes are frustrated by that. We increased our funding in the operating plan we just finished for fiscal year 2014. We increased the fund by \$14.3 million for new facilities that have come on line.

If we used all of that \$14 million for the new facilities, including one at Ft. Peck, we would be funding those facilities at 88 percent of need but meanwhile, our existing facilities would be at 55 percent of need.

We are trying to figure out a more fair way to allocate that money. We may very well be spreading around that money a little bit more to not just include the six newest facilities but some of the other relatively new ones like the ones you are talking about that have come online in the last few years.

That will not be 100 percent of need for staffing but it will be much closer to what the tribes need.

The CHAIRMAN. The bottom line in almost every other question I have asked, you understand this and I know you get it, right now there just aren't the resources there to open these facilities. I am not going to say it is almost criminal because it is criminal because in a lot of these cases, we have criminals walking the streets because they don't have a facility to put them in.

Ft. Peck's water system and the O&M associated with this is a BIA obligation. You know the BIA and the tribe negotiated the amount of money that is required to operate this project and that the tribes executed the Indian Self Determination Act contract based on those negotiations.

The BIA only requested \$750,000 for the operation, maintenance and repair of the water project that provides water to frankly most of the folks on the Ft. Peck Reservation. Why is BIA having so much trouble determining the cost of operation, the cost of repair and maintenance of this project?

Mr. WASHBURN. Chairman Tester, I am not sure why that is. Last year I think we over funded the project for operation and maintenance. Because of that, this year we lessened that amount. We are committed to funding it at the proper amount going forward, but we were trying to average out for the last two years basically so we get to the right amount.

We do want to see that project with the right amount now that it is finished so it can continue going forward. We will certainly work with you when it comes to the fiscal year 2016 budget formulation to get it right. We hope it averages out for fiscal years 2014 and 2015.

The CHAIRMAN. Which brings up another issue, an issue we tend to create around here, not you, and that deals with government shutdowns and reserve accounts. What is your perspective on reserve accounts as they apply to government shutdowns?

Mr. WASHBURN. The government shutdown is the best reason I see to having tribes running these programs because they can keep operating even if the Federal Government is shutdown but they have to have the money to do so. We need to create flexibility in the system to ensure they can do so.

The CHAIRMAN. I would hope we can figure out what the amount is supposed to be and get it there. Quite frankly, if I was running the water system right now, seeing what I saw last fall, I wouldn't deplete my reserve account either.

I want to talk a little bit about education and I will move on to Dr. Roubideaux because I know she doesn't want to get left out of this conversation.

Secretary Jewel testified before this Committee that Indian education is an embarrassment. We have looked at the budget and I am curious to know, Secretary Washburn, what you think is in this budget that would change that perception?

Mr. WASHBURN. Thank you for asking the question. I do have the BIA Director, a new permanent BIA Director, Monty Roessel, here with me today.

We are studying Indian education really hard right now. Secretary Arne Duncan is very interested in this and of course Sec-



retary Jewel. She knew when she made that statement, she needed to do something about it, so I have clear marching orders.

We have a study group working on this. I notice you put up some charts about the Department of Defense education.

The CHAIRMAN. It's right there.

Mr. WASHBURN. It's right there.

The CHAIRMAN. That is not apples and oranges.

Mr. WASHBURN. No, that is not apples and oranges. That makes we think maybe we should move the BIA back into the War Department because they are funding their schools well in the Department of Defense.

One of the things I mentioned early on was the President has proposed we are going to live within the Murray-Ryan budget caps, but if there are new revenues, we have already projected how we would spend those new revenues. One of the areas is for Indian education.

We have a study group. I know study group doesn't sound like a big deal. You can certainly put together a study group at any time but we are really committed to doing something with Indian education once the study group comes up with recommendations.

The White House has been engaged in this and two Cabinet Secretaries and Mr. Roessel, the Director. I am confident we are going to be moving forward with some real improvements in Indian education.

The CHAIRMAN. I appreciate that. Do you agree that Indian education is a trust responsibility?

Mr. WASHBURN. It certainly is. It is in some of the treaties. Some of the treaties include words about education.

The CHAIRMAN. You answered that correctly. Thank you.

Do you think the OMB understands that education is a trust responsibility?

Mr. WASHBURN. Yes. I know in theory they think it is a trust responsibility.

The CHAIRMAN. I think it is really important. Secretary Jewel thinks it is important, the Secretary of Education thinks it is important, and I would dare say I absolutely do and I think a vast majority of people on this Committee agree when it comes to getting people out of poverty, this is the best way to get it done. There is a lot of poverty in Indian Country.

Thank you very much. I appreciate your testimony. I have some other questions for the record.

Dr. Roubideaux, correct me if I am wrong, there are about 1,500 claims out there for contract services, correct?

Dr. ROUBIDEAUX. It depends on who you ask, but the running tally of total claims is over 1,300, probably over 1,400. The pending ones now are about 1,200 and some.

The CHAIRMAN. Let's use the smaller number, let's say it is 1,200. There have been about 200 claim offers to tribes of that 1,200, correct?

Dr. ROUBIDEAUX. Yes.

The CHAIRMAN. How long have we been working on this?

Dr. ROUBIDEAUX. We have been working on this since the Ramah decision came down which was in June 2013.

The CHAIRMAN. June 2013, so we are about nine months in?

Dr. ROUBIDEAUX. Yes.

The CHAIRMAN. How many of those 200 claims that have been offered, not counting the ones on your blackberry today, have been settled?

Dr. ROUBIDEAUX. Of the 200 claims, we have 41 claims formally settled with tribes, 68 offers accepted by tribes but they are in process, so it is about 104 settled. That is \$133 million worth.

The CHAIRMAN. How many settled out of the 200?

Dr. ROUBIDEAUX. 104.

The CHAIRMAN. 104 have been settled out of the 200. Did you say the process started in June 2013 or June 2012?

Dr. ROUBIDEAUX. I'm blanking right now, so I will get back to you but we have been working very hard on it for so long, I can't remember.

The CHAIRMAN. I will just tell you this. We had this conversation in my office before and I know you guys are working hard to get it done, but in the overall scheme of things, with 1,200 claims, potentially more than that, 104 have been settled, 200 have been offered, the reason I am hearing from tribes and the reason many people on this Committee are hearing from tribes is because they are frustrated that it is not moving faster.

I would tell you that we have to figure out how to move the ball forward. We just have to figure it out because it is not going to get easier for me or for you if this doesn't move quicker.

I want to talk about Indian health care and sanitation facilities. I think the Ranking Member talked about it from an Indian health care facility standpoint. I want to talk about it from both because this Administration has reported that there is a \$10 billion backlog for health care facility and sanitation facility construction, yet the request is \$150 million. I know those are all big numbers but \$150 million of \$10 billion is 1.5 percent.

Talk to me. We are it even keeping up with inflation and inflation is pretty low.

Dr. ROUBIDEAUX. I hear your frustration on this. We are frustrated as well. These are difficult budget times and with available funds, we are not able to fund all tribal priorities but we do believe these are extremely important priorities.

That is why trying to use the Opportunities Growth and Security Initiative to get more construction funds for health facilities could help us. That is why we are collaborating with other agencies to leverage other funds to try to see if we can make some progress. It is an enormous need and we are very much interested in working with you on this.

The CHAIRMAN. I could go down the same list of questions I did with Secretary Washburn but I won't. I will tell you if you look at this backlog, we are talking about backlogs in health care facilities construction and talking about sanitation facilities construction. There is no way we are going to get our arms around the health impacts of these two deficiencies.

I dare say that we are running way, way more than \$150 million in additional expenses because we are this far behind on these two arenas.

When we talk to OMB in all these things, I just think it is very, very important that we talk about what is happening on the

ground because it is really important. This quality of life, this is health care, this is the ability to go to school, this is the ability to get educated. We need to fix it.

Eighteen million dollars for health care education in this budget request, as I alluded in my opening comments, we can invest now in a lot of these things or we can invest later. I can tell you on a lot of the reservations in Montana, and I am learning more about it since I have gotten this position around the country, we are seeing unemployment rates through the roof and we are seeing a shortage of nurses and an incredible shortage of doctors.

It would seem to me that this is just an incredible opportunity, with the challenges that are out there, to make some investments, whether it is through tribal college, which would be my first choice, or some other arena to help push Native American people into health care to take care of their own.

They are good paying jobs, there is a huge need out there. The question is, when you go to OMB, the President, Sally Jewel, or whoever it may be, what are we talking about when it comes to investment in health care education? Have we talked about it? It is a priority but it doesn't seem to be a priority when it comes to money.

Dr. ROUBIDEAUX. It is definitely a priority to our agency because we know there is a great need. Our fiscal year 2015 budget proposal includes the medical inflation which could be used to hire more providers. We also have the proposal to exempt our scholarship and loan repayment programs from taxation which would allow us to give more awards which would allow us to be able to improve the pipeline.

We are definitely interested in working with you on this in the budget formulation process.

The CHAIRMAN. I will make a statement and we will get to the next panel. I appreciate your patience, I appreciate your testimony and I appreciate your willingness to sit here and answer questions over a budget.

When Byron Dorgan was Chairman of this Committee, we had the same conversation with different people sitting in your chairs. I would just say that when we look at budgets for Indian Country, we need to look at it from the standpoint of what challenges are out there and what needs are out there and if we are doing anything to close the gap.

I will be honest. If you just took health care, if you just took the facilities budget, or if you just took loan forgiveness or this \$18 million for health education or whatever it might be, my daughter happens to be a nurse. It is a good job. There is a lot of opportunity out there to take care of folks.

I also live in a small town in rural America, frontier America, and I know how hard it is to get people off reservations to come and work there. We have a tremendous opportunity. Whether it is your department, your agency, Health and Human Services and Secretary Sebelius or OMB, we need to try to get across this message.

All you have to do is step into Indian Country. Some of them who have the resources are doing a great job but those who don't have the resources, it is not good. It is just not good.

We have some other questions for the record that we will put in for you, Dr. Roubideaux, as well as Secretary Washburn. Once again, I want to thank you for your testimony and we will be visiting as we move forward on budget issues and everything else.

Thank you for your service to the country.

We will start with the next panel. The next panel consists of the Honorable Aaron Payment, Midwest Area Vice President, National Congress of American Indians and Chairman, Sault Ste. Marie Tribe of Chippewa Indians of Sault Ste. Marie, Michigan.

Mr. Payment was elected October 16, 2013 to serve a two year term as Midwest Area Vice President of the National Congress of American Indians. His resume is good and impressive. It is good to have you here and look forward to your testimony.

Then we have the Honorable Andrew Joseph, Jr., Member-at-Large and Portland Area Representative, National Indian Health Board here in Washington and Chair, Northwest Portland Area Indian Health Board in Portland, Oregon.

Andrew Joseph, Jr. was elected in March 2013 as Member-at-Large and Portland Area Representative of the National Indian Health Board. Andrew also has a very impressive resume which I could go through but their testimony is more important than the accolades at this point in time.

I would say thank you very much for being here. Before you give your testimony, I very much value it and I appreciate you taking the time to tell us what is going on from your perspective.

As with the previous presenters, we are going to give you five minutes but your entire written testimony will be made a part of the record. It might just be you and I on question and answer but maybe someone will show up again.

At any rate, we will start with you, Mr. Payment, and then go to Mr. Joseph.

**STATEMENT OF HON. AARON PAYMENT, MIDWEST AREA VICE PRESIDENT, NATIONAL CONGRESS OF AMERICAN INDIANS; CHAIRMAN, SAULT STE. MARIE TRIBE OF CHIPPEWA INDIANS**

Mr. PAYMENT. Good day. My name is Aaron Payment. I am Chairperson of the Sioux Tribe.

As Congress considers the fiscal year 2015 budget and beyond, tribal leaders call on Congress to ensure that the promises made to Indian Country are honored in the Federal budget. Please remember just as we do not have the discretion to renege on our millions of acres of land cessation, we ask that you no longer exercise your trust obligation as discretionary.

With accumulated impacts of level funding, budget cuts and sequestration in some cases amounting to up to 30 percent cuts since the Clinton era, the continued trust obligation of the Federal Government is threatened. These cuts feel very much like an abrogation of the treaty and trust obligations.

NCAI's President Cladoosby would remind you this is your duty, you are our trustee. Please serve with honor and put the trust in trustee. When people ask why honor such antiquated documents like Indian treaties, I remind them that they are pursuant to the

U.S. Constitution and judicial decisions and remember the Constitution is older.

My written testimony calls for the equitable funding for tribal governments across the board and then addresses specific proposals in the Administration's fiscal year 2015 budget, including the Bureau of Indian Affairs, Indian Health Services, Natural Resources and Environment, Education and Public Safety and Justice.

NCAI, in collaboration with national, regional and issue specific tribal organizations has developed comprehensive recommendations included in the fiscal year 2015 Indian Country budget request. We request for the document to be entered into the record.

For the remainder of my time, I would like to hit a few highlights to sound the clarion call for equitable funding for tribes.

Even with the inroads and understanding of trust obligation, Indian Country continues to experience what the U.S. Commission on Civil Rights in 2002 called the "quiet crisis of Federal funding and unmet needs."

The Indian Health Service is currently funded to meet only about 56 percent of the need despite being the primary provider of health care for many tribal communities. In 2002, IHS per capita expenditures for patient health services were just \$2,896 compared to \$7,535 per person for health care spending nationally. This is a disparity of nearly the magnitude of three times.

For my tribe, for 66 percent of the citizens not residing near our health care delivery system, their health needs remain unmet. The response, intended or not, to access Medicaid fails to recognize the trust obligation, besides hundreds of thousands of tribal citizens across the country live in States where Medicaid expansion simply did not occur.

Please restore leftover 2013 IHS budget cuts due to sequestration. We lost ground. The rural nature of our health care system, so far my tribe lost six providers just since last fall due to the shutdown and sequestration. I fear this will be even more devastating if special diabetes is not renewed and one year is the least of what we are looking for.

Due to these losses, we desperately ask Congress to move our funding from discretionary to non-discretionary and support advance funding to further avoid losing ground.

We ask that Congress fully fund contract support and reinstate sequestration losses. Again, fully funding contract support is mandated by the Supreme Court in the Ramah case. However, fully funding contract support but cutting other areas appears like a sleight of hand or punishment.

We support the President's request for \$251 million to fully fund contract support but please don't cut services to IHS or infrastructure to do so. Otherwise, we will experience a net loss.

To give you the importance of health care in our community, life expectancy for American Indians and Alaska Natives is 4.1 years less than it is for the general population. In my family, our life expectancy is 60 years, with one exception. How many years would you have left? I have 12 if we live the expectancy.

We support the BIA's increase of at least \$33.8 million or 1.4 percent above the fiscal year 2014 enacted level. However, with congressional mandate to fully fund contract support, this will mean

inevitable cuts to Indian programs and essential BIA infrastructure. After a year of sequester cuts, now making do with sequestration is an impossible burden to place on the BIA.

With Interior budgets, some budgets are projected to increase up to 22 percent. Ours is really the least of it. Ours is the very least. A joke was made the other day, maybe Indians should move to the national parks. However, that is to a good idea either because the Navajo haven't been able to move forward some of their housing development because they are located in national parks, so that is really not the solution.

We have the highest dropout rate of any racial ethnic population in this country. This has not increased in the last ten years. We need greater effort in Indian education. Impact aid is critically important because 90 percent of our kids go to public schools and depend on the funding that comes from impact aid. I hope there are questions so we can flush that out later.

I have much, much more that I could address but I think I am out of time. There is a lot more in my written testimony. I hope that you lots and lots of questions for me.

Thank you.

[The prepared statement of Mr. Payment follows:]

PREPARED STATEMENT OF HON. AARON PAYMENT, MIDWEST AREA VICE PRESIDENT,  
NATIONAL CONGRESS OF AMERICAN INDIANS; CHAIRMAN, SAULT STE. MARIE TRIBE  
OF CHIPPEWA INDIANS

On behalf of the National Congress of American Indians (NCAI), I'd like to thank you for holding this important hearing on the President's Fiscal Year 2015 Budget for Tribal Programs. NCAI is the oldest and largest American Indian organization in the United States. Tribal leaders created NCAI in 1944 as a response to termination and assimilation policies that threatened the existence of American Indian and Alaska Native tribes. Since then, NCAI has fought to preserve the treaty rights and sovereign status of tribal governments, while also ensuring that Native people may fully participate in the political system. As the most representative organization of American Indian and Alaska Native tribes, NCAI serves the broad interests of tribal governments across the nation. As Congress considers the FY 2015 budget and beyond, leaders of tribal nations call on decision-makers to ensure that the promises made to Indian Country are honored in the federal budget.

This testimony calls for equitable funding for tribal governments across the board, and then addresses specific proposals in the Administration's FY 2015 budget, including the Bureau of Indian Affairs, natural resources and environment, health care, education, and public safety and justice; however, NCAI, in collaboration with national, regional and issue specific tribal organizations, has developed comprehensive recommendations included in the FY 2015 Indian Country Budget Request, and we request for the document to be entered into the record.<sup>1</sup>

#### Introduction

Annual funding decisions by Congress are an expression of our nation's moral priorities. Numerous treaties, statutes, and court decisions have created a fundamental contract between tribal nations and the United States: tribes ceded millions of acres of land that made the United States what it is today, and in return tribes have the right of continued self-government and the right to exist as distinct peoples on their own lands. And for its part, the United States has assumed a trust responsibility to protect these rights and to fulfill its solemn commitments to Indian tribes and their members.

Part of this trust responsibility includes basic governmental services in Indian Country, funding for which is appropriated in the discretionary portion of the federal budget. Tribal governments exist to protect and preserve their unique cultures, identities, and natural environments for posterity. As governments, tribes must deliver a wide range of critical services, such as education, workforce development, and first-responder and public safety services, to their citizens. The federal budget for tribal governmental services reflects the extent to which the United States honors its promises to Indian people.

Shrinking resources due to sequestration and the Budget Control Act have adversely affected tribes' ability to meet the needs of their communities. An honorable budget for Indian Country will empower tribes so they can provide their people with good health care, quality education, decent and adequate housing, and public safety. These services – that every American expects – meet the needs of Native peoples, benefit residents of surrounding communities, and fulfill obligations to tribal nations. Although Indian Country continues to face immense economic challenges, upholding Indian trust and treaty obligations also holds the promise of tremendous economic success.

*A Call for Equitable Funding for Tribes*

A fundamental goal for Indian Country governmental services should be parity with similarly situated governments or services. Although tribes have made some progress in addressing egregiously inadequate public services that many Americans routinely take for granted, they are still experiencing what the US Commission on Civil Rights called “a quiet crisis” of federal funding and unmet needs.<sup>ii</sup>

- **Public Safety:** The bi-partisan Indian Law and Order Commission (ILOC) recently released its report to Congress and the President emphasizing that “[h]ow we choose to deal with the current public safety crisis in Native America—a crisis largely of the Federal government’s own making over more than a century of failed laws and policies—can set our generation apart from the legacy that remains one of [the] great unfinished challenges of the Civil Rights Movement.”<sup>iii</sup> The Commission recommends and NCAL agrees that Congress and the executive branch should direct sufficient funds to Indian country law enforcement to ensure law enforcement in Indian Country is on par with the rest of the United States.
- **Health Care:** The Indian health care delivery system, while working to reduce Indian health disparities, also faces significant funding disparities in per capita spending between the Indian Health Service (IHS) and other federal health care programs. The IHS is currently funded to meet only about 55 percent of its need, despite being the primary provider of health care for many tribal communities. In 2012, IHS per capita expenditures for patient health services were just \$2,896, compared to \$7,535 per person for health care spending nationally.<sup>iv</sup>
- **Education:** Of the over 600,000 American Indian/Alaska Native (AI/AN) students in pre-kindergarten through grade 12, most attend public schools. But many of these schools do not have a reliable tax base and disproportionately rely on Impact Aid funding, which makes up for the lack of funding on and near reservations and military bases. The Impact Aid program has not been fully funded since 1960. The Bureau of Indian Education, which serves nearly 50,000 Native students, received \$48 million less in funding in FY 2013 compared to its FY 2012 funding level. Native students still do not have the same education outcomes as their peers, and improving education is an economic necessity for Indian Country. If half of the 24,700 Native students of the Class of 2010 who dropped out of school had graduated, they would likely be earning an additional \$147 million each year compared to what they will earn without a high school diploma.<sup>v</sup>



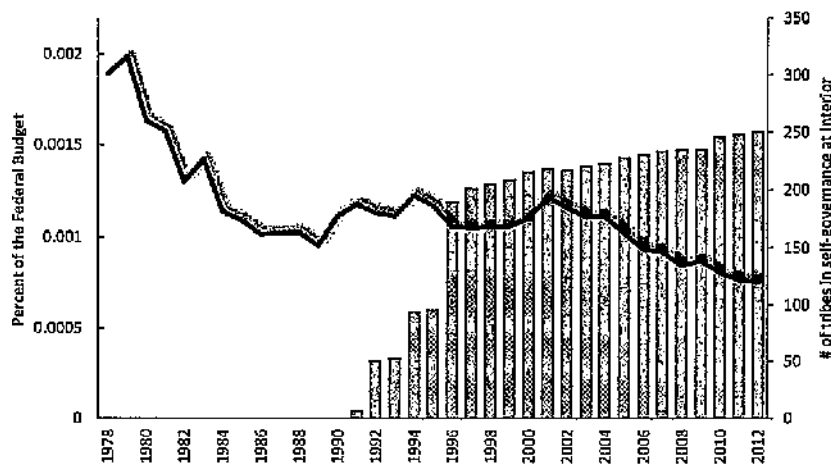
### *Invest in Self-Determination*

Congress and the Administration have expressed strong support for Indian self-determination and honoring the trust responsibility. Indeed, many tribes have made tremendous gains in improving the social and economic well-being of their communities when Congress has respected the important role of tribal governments and invested in self-determination. Chairwoman Karen Diver from the Fond Du Lac Band of Lake Superior Chippewa in Minnesota shared her perspective on reductions to tribal base budgets:

When elderly nutrition started at Fond du Lac in the 1990s, we set the age at 52 because the average age of death in the 1970s was 56. We are proud that under self-governance, that age is now 74. [Congress] is asking us to be wizards in our own community. We are to promote community development. We are to promote economic development. We are to promote health. We are to promote safety. We are to do all these things without a tax base. [Budget cuts] are taking away our ability to rise up and help support rural communities – not just Indian communities – but entire rural communities with the employment and the economic ripple effects.

The Fond du Lac Band poured more than \$300 million into the regional economy in 2011 and created 3,600 jobs in its region, for Natives and non-Natives alike. Tribes across the United States are making similar economic contributions to their regions, drawing on a mix of intergovernmental transfers, fees, enterprises, sales, and leases that make up their governmental revenue. However, the trend in funding for Indian Affairs in the Department of the Interior (DOI) does not reflect Indian self-determination as a priority in the federal budget. Figure 1 shows Bureau of Indian Affairs (BIA) funding in the Department of the Interior as a percentage of the total federal budget from 1980 to 2012.

Figure 1: Indian Affairs Funding as a Percentage of the Federal Budget

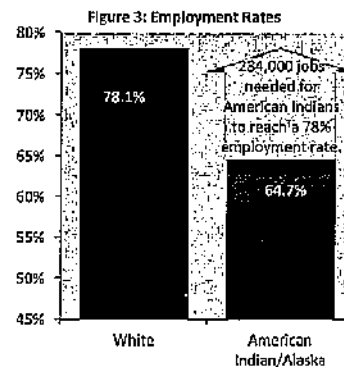
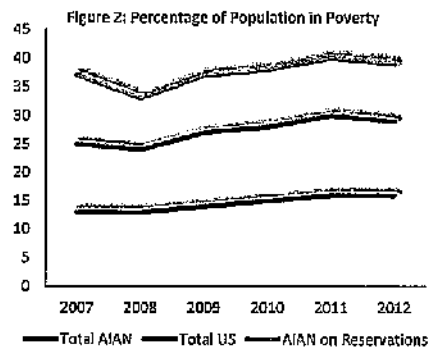


BIA provides the base budget funding for tribes, including: tribal law enforcement, tribal courts, human services, natural resource management, energy development, road maintenance, job training, water resource management, and more. Even as tribes have assumed more responsibility for public activities under self-determination and self-governance, the core support for tribal governments has declined as a percentage of the federal budget. Honorable fulfillment of the trust and treaty promises to tribes would positively impact not only required public services to tribal citizens but also the surrounding regional economies. Given the low historical bases of funding for tribal governments, opportunities for economic improvement and government success are needed.

#### *Upholding Obligations to Native People Will Expand Economic Opportunity*

Although in the last 30 years Native people overall have experienced significant economic growth as measured by average income and wealth, American Indians and Alaska Natives are still one of the United States' most economically disadvantaged populations. Nearly one in three Native people—29.1 percent—lived below the federal poverty line in 2012. For Native people living on reservations, the rate is far higher at 38.6 percent, 2.5 times higher the national rate. Progress is possible, though: in 1990, over half of American Indians on reservation and tribal land lived in poverty.

A recent analysis by the Economic Policy Institute examined the problem of the low rate of American Indian employment.<sup>9</sup> Only when American Indians and Alaska Natives have higher and steady employment rates will poverty decline and wealth begin to grow. The paper found that, over the 2009–2011 period, the American Indian employment rate among 25- to 54-year-olds was 64.7 percent—13.4 percentage points lower than that of the White rate. To increase the Native employment rate to that of the White rate would require about 234,000 jobs throughout Indian Country and the United States. For Native people, these statistics show major challenges, but also tremendous opportunity and potential for economic success.

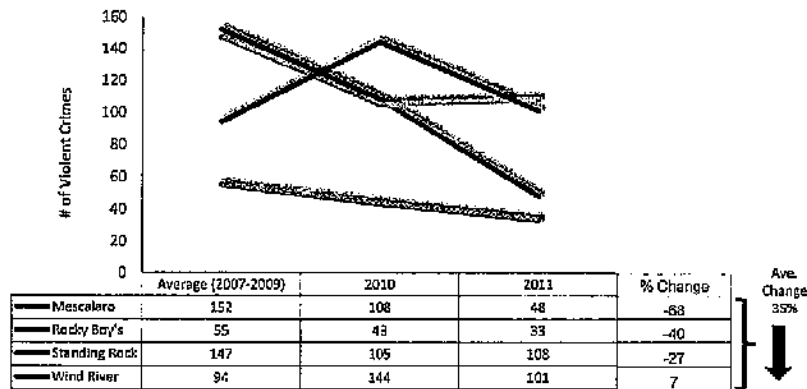


As the rest of the American economy continues to recover, tribes offer new opportunities for the communities that surround them. Where tribes exercise self-determination, success stories abound; and they all include the themes of improved responsiveness and increased accountability. Overcoming poverty, while honoring tribal traditions and strengthening culture, is achievable but securing tribal economic security and prosperity will require a sustained commitment. Congress must answer this moral and legal call to action so that Native peoples can look forward to improved prosperity and progress for future generations.

#### *Equitable Funding Leads to Success*

Indian Country has long struggled with high crime victimization rates. Violent crimes impose economic costs on the victims and their families, in the form of medical and other expenses and the loss of earnings. Areas with high crime also experience reduced investment. Safe communities are necessary for economic development. Moreover, the Indian Law and Order Commission found that tribal nations throughout our country would benefit enormously if locally based and accountable law enforcement officers were staffed at levels comparable to similarly situated communities off-reservation. In 2010, DOI established a High Priority Performance Goal (HPPG) initiative to reduce violent crime by at least five percent over 24 months on four reservations that were experiencing high rates of violent crime. In FY 2010, all four locations received an increase in base funding to support additional sworn staff. The additional resources assisted in closing the staffing gap and bringing each location up to national sworn staffing levels as listed under the US Department of Justice Uniform Crime Report staffing averages. The increased number of law enforcement officers aligned the staffing-to-population ratios closer to the national standard for rural populations of 2.8 officers per 1,000 persons. The effort resulted in a 35 percent decrease in violent crime across the four sites. The ILOC report states, "[d]espite the current budget reality, the results of the HPPG Initiative should not be forgotten: parity in law enforcement services prevents crime and reduces violent crime rates."

Figure 4: Reduction in Violent Crime at HPPG Reservations

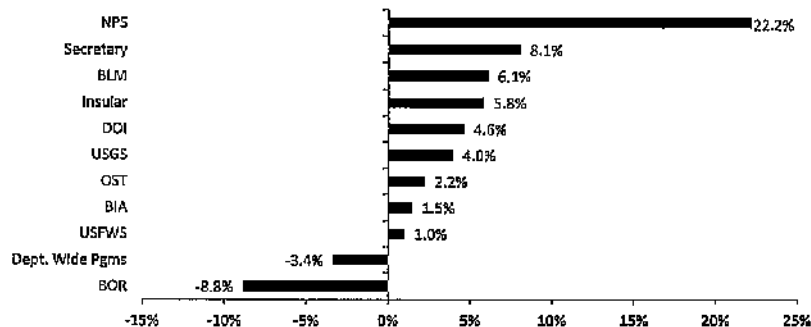


### Department of the Interior

NCAI appreciates recent support for some tribal programs over the last few years, especially for the Indian Health Service, contract support costs, and law enforcement. However, we must mention that comparing the requested increases for the largest Interior agencies in the FY 2015 Presidents' Request reveals inequitable support relative to the National Park Service (NPS), Bureau of Land Management (BLM), and the US Geological Survey (USGS). The DOI budget without the BIA would increase 5.2 percent in the FY 15 President's budget. An increase of \$139 million to BIA over FY 2014 is required to provide an equitable increase relative to the overall FY 2015 DOI budget.

Figure 5: DOI Agency Total Budget Authority (Dollars in thousands)	2013 Actual	2014 Enacted	2015 Request	Change	% Change
Bureau of Land Management (BLM)	1,159,810	1,266,478	1,343,888	77,410	6.11%
US Geological Survey (USGS)	1,013,093	1,032,975	1,074,016	41,041	3.97%
Fish & Wildlife Service (USFWS)	2,578,792	2,790,413	2,818,293	27,880	1.00%
National Park Service (NPS)	3,206,136	2,983,754	3,647,402	663,648	22.24%
Indian Affairs (BIA)	2,493,222	2,640,178	2,679,097	38,919	1.47%
Office of the Secretary	4,460,434	2,141,544	2,814,294	172,750	8.07%
Insular Affairs	647,775	640,683	678,127	37,444	5.84%
Office of Special Trustee (OST)	513,161	524,509	536,248	11,739	2.24%
Department-Wide Programs	1,325,807	1,440,197	1,391,633	-48,514	-3.37%
Bureau of Reclamation (BOR)	1,146,608	1,278,908	1,165,810	-113,093	-8.84%
Department of the Interior (DOI)	19,491,853	17,619,311	18,434,901	815,590	4.63%
DOI without BIA	16,998,631	14,979,133	15,755,804	776,671	5.19%

Figure 6: DOI Bureaus, % Change in Total Budget Authority  
FY 2014 Enacted to FY 2015 Budget Request



The other Interior agencies certainly provide assistance to Indian tribes. According to a FY 2014 crosscut of Native American funding,<sup>vi</sup> in FY 2013, tribes received 1.4 percent of BLM's budget, 14.5 percent of the Bureau of Reclamation budget, 0.4 percent of the USFWS budget, and 0.4 percent of the NPS budget. About 91 percent of the funding in FY 2013 that went to Indian tribes in DOI was through BIA and OST and 9 percent of funds to tribes (excluding fire) were in other bureaus.

Figure 7: Agency (Dollars in thousands)	2013 Actual	Tribes	Tribes as % of Each Bureau's Budget
Bureau of Land Management	1,159,810	16,000	1.38%
Fish & Wildlife Service	2,578,792	10,000	0.39%
National Park Service	3,206,136	13,000	0.40%
Bureau of Reclamation	1,146,608	166,000	14.48%

NCAI appreciates that, for instance, USGS is increasingly engaging with tribes to develop climate adaptation programs and working to meet tribes' needs for scientific and planning information. The budget proposes that in FY 2015, the National Climate Change and Wildlife Science Center/ Department of the Interior Climate Science Centers (NCCWSC and the CSCs) would help identify and implement best practices for the integration of traditional ecological knowledge into CSC science products. The CSCs would build on existing training and educational efforts, working with tribes in the development of climate adaptation strategies. The CSCs would expand research on key climate concerns, such as identifying those "First Foods" and similar culturally valued interests (plants, animals) whose existence or access is threatened by climate change.

The USFWS also is improving its work with tribes, such as with the North Pacific Landscape Conservation Cooperative (NPLCC). The NPLCC is funding research to help coastal land managers face many challenges and uncertainties in planning adaptive strategies for conserving nearshore habitats under future climate change scenarios. The USFWS states that "Indigenous peoples have long understood the inextricable link among climate, landscapes, watersheds, plants and animals, and people. And their knowledge — often referred to as Traditional Ecological Knowledge (TEK) — offers an important perspective to resource management in a time of rapid environmental change. Western science can miss the complex interactions between people and the broader ecosystem. But when TEK is considered along with Western science, managers can gain a more holistic understanding of the natural environment and can create a more resilient future."

Increased tribal engagement is good, to the extent that non-BIA bureaus are assisting tribes, providing resources and upholding the federal trust responsibility. But BIA provides the primary resources for carrying out the core governmental services to about 2 million American Indians and Alaska Natives. Funding for tribal capacity building is critical. Individual projects, such as the NPLCC, do not provide the long-term capability that tribes need to be able to address climate issues. The \$9.947 million in the BIA's budget for Cooperative Landscape Conservation does not go far for 566 federally recognized tribes.

Even as other agencies work to improve meeting their obligations to tribes, NCAI urges Congress to ensure that the BIA budget can provide the resources that modern and sophisticated tribal governments require.

*Bureau of Indian Affairs*

The FY 2015 budget request for the Operation of Indian Programs account is \$2.4 billion, an increase of \$33.8 million, or 1.4 percent, above the FY 2014 enacted level. The FY 2015 budget request for the Construction account is \$109.9 million; a decrease of \$216,000 below the FY2014 enacted level (see Appendix A). The FY 2015 budget proposes a total of \$922.6 million in Tribal Priority Allocations, an increase of \$19.3 million over the FY 2014 level, a 2 percent increase. An increase of \$139 million to BIA over FY 2014 *would be required to provide an equitable increase relative to the overall FY 2015 DOI budget.*

The budget request for contract support is \$251 million; including funding for the Indian Self-Determination Fund, an increase of \$4 million above the FY 2014 enacted level. The requested amount will fully fund estimated FY 2015 contract support costs, according to BIA based on the most recent analysis. NCAI commends the Administration for requesting full funding for Contract Support Costs in FY 2015.

NCAI notes however that the Tribal Grant Support Costs for BIE tribally controlled schools and residential facilities should also be fully funded. Tribal Grant Support Costs (formerly referred to as Administrative Cost Grants) funding is provided to the schools to cover administrative and indirect costs incurred in operating contract and grant schools. In SY 2012-2013, tribally controlled grant schools received an estimated 64 percent of the grant support funding needed as defined by the administrative cost grants formula.

Major Initiatives

The Tiwahe (Family) Initiative would provide an additional \$11.6 million to expand Indian Affairs' capacity to address Indian child and family welfare and job training issues and implement processes to better sustain Indian families. Increases include: \$10 million to build on social services and Indian child welfare programs that provide culturally-appropriate services toward health promotion, family stability, and strengthening tribal communities; \$550,000 to expand job placement and training programs; BIA law enforcement would begin a pilot program to implement a strategy for alternatives to incarceration and increased treatment; \$1 million to develop and institutionalize a program for evaluating social service and community development needs and to inform programmatic design, evaluation, management, and budgeting.

Tribal leaders through the Tribal Interior Budget Council have repeatedly called for increases to Social services and Indian Child Welfare Act (ICWA) funding. NCAI also supports increases to these two activities. ICWA was enacted in 1978 in response to the troubling practices of public and private child welfare agencies that were systematically removing American Indian and Alaska Native children from their homes, communities, and culture, and placing them in non-Indian foster and adoptive homes. The Act not only provides protections for Native children in state child welfare and judicial systems but recognizes the sovereign right of tribes to care for their children. The crippling of Native economies before the Self-Determination Era left tribal citizens overwhelmingly impoverished, facing high unemployment compared to non-Native people, and with few economic opportunities. The barriers to employment vary region-to-region in Indian Country, but include geographic remoteness, a weak private sector, poor basic infrastructure, and even a lack of basic law enforcement infrastructure. This, coupled with the recent economic down turn, makes the Social Service program

an essential yet underfunded part of anti-poverty programming on reservations nationwide. For these reasons, NCAI supports the increase BIA Social Services.

Education increases include: \$500,000 for Johnson O'Malley education assistance grants to support a new student count in 2015 and provides funding for the projected increase in the number of students eligible for grants; \$1 million to support the ongoing evaluation of the BIE school system; \$2.3 million to fund site development at the Beatrice Rafferty School for which design funding was provided in the FY 2014 budget; \$1.7 million for fellowship and training opportunities for post-graduate study in science fields and \$250,000 for summer pre-law preparatory program scholarships. NCAI appreciates all the proposed modest increases, but reminds Congress that an increase of \$139 million to BIA over FY 2014 would be required to provide an equitable increase relative to the overall FY 2015 DOJ budget.

#### Indian Health Service

The survival and prosperity of tribal communities depend on the safety, health, and wellness of our citizens. Despite the federal government's trust responsibility to provide health care to our people, American Indians and Alaska Natives (AI/AN) suffer disproportionately from a variety of health concerns. The AI/AN life expectancy that is 4.1 years less than the rate for the US all races population. According to IHS data from 2005-2007, AI/AN people die at higher rates than other Americans from alcoholism (552 percent higher), diabetes (182 percent higher), unintentional injuries (138 percent higher), homicide (83 percent higher), and suicide (74 percent higher). Additionally, AI/AN people suffer from higher mortality rates from cervical cancer (1.2 times higher); pneumonia/influenza (1.4 times higher); and maternal deaths (1.4 times higher). Clearly, this data calls for a better funded Indian health care delivery system.

The Indian Health Service (IHS) has been and continues to be a critical institution in securing the health and wellness of tribal communities. Funding for the IHS is crucial for providing necessary health care for tribal citizens and depends solely on the federal budget. Additionally, the budget for the IHS determines the extent to which the United States honors its federal trust responsibility to American Indian and Alaska Native peoples. The FY 2015 budget for the IHS should support tribal self-determination, uphold the federal government's partnership with tribes to improve Indian health, and work to reduce health disparities for Native people. It is unconscionable that America's first nations are often the last when it comes to health.

Indian health-care providers, who form a crucial system of care in some of the most remote communities in the country, must receive the funding necessary to operate IHS facilities and fund community-based programs on which tribal communities rely. Underfunding results in atrocious medical practices, poor facility conditions, and unreliable management. Overall improvements in IHS will protect the future of tribal nations and fulfill the government's treaty responsibility. NCAI supports the National IHS Tribal Budget Formulation Workgroup and their recommendations to HHS for FY 2015.<sup>10</sup>

NCAI appreciates that the IHS has finally seen some of the most significant budget increases in decades with a historical increase of 32 percent during the past six years. Yet, funding for Indian health care services and programs still falls significantly short of what is required to bring health parity to Indian health in line with other federal healthcare programs.

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In FY 2014, IHS received an increase of \$304 million over FY 2013 enacted levels. Most of this increase was designated to fully fund contract support costs (CSC), as well as new staffing packages, at the direction of Congress. Thus, the agency was forced to cut an additional \$10 million from the overall IHS budget. NCAI and tribes hoped that funds would be available to restore sequestration cuts from FY 2013 and adjust for inflationary increases and population growth. Tribes are insisting this year that the Department and Congress fully restore the cuts left over from FY 2013 sequestration and provide funding to maintain current services, as well as provide a meaningful increase in the services line item.

#### **Transportation, Housing, and Infrastructure**

Fulfillment of the trust responsibility represents necessary elements for a strong economic foundation in Indian Country to afford Native children and future generations the opportunity to fulfill their potential. Investments in tribal infrastructure must continue to address the inadequate roads, housing, and broadband systems that are all essential to economic development and job creation. Education is fundamental to long-term economic opportunities, and public safety is a prerequisite for long-term economic development. Support for tribal energy and natural resource development must be ramped up—although tribal lands contain a vast amount of the nation's conventional and renewable energy resources, tribal governments face an array of challenges in developing these resources. All of these investments hold immense promise to contribute to regional economies, in turn strengthening the American economy and building a better future for all Americans.

#### **Housing**

Housing is a core necessity for tribal communities. While tribes have made great strides toward improving housing conditions in their communities through the Native American Housing Assistance and Self-Determination Act (NAHASDA), the need for adequate, affordable housing for low income Indian people persists. Native Americans still face some of the worst housing and living conditions in the United States. Nearly 30 percent of homes in Indian Country rely on wood for heating; up to 18 percent are without phone service in some areas; and substandard housing conditions continue to prevail. According to the American Community Survey 2006-2010 data, Indian homes frequently lack utilities and infrastructure, with approximately 8.6 percent lacking complete plumbing facilities; 7.5 percent lacking kitchen facilities; and 18.9 percent lacking telephone service.

Since the enactment of NAHASDA in 1996, tribal housing programs are moving into a new era for housing and community development—and using sustainable building practices and leveraging their NAHASDA and other federal funding. Today there are close to 500 Tribally Designated Housing Entities (TDHEs) in Indian Country. The NAHASDA effectively replaced the various Indian housing programs under the 1937 Housing Act and consolidated federal housing funds through direct block grants to the tribes and their TDHEs. It also authorized tribes to design and implement tribal housing and other community development infrastructure programs. The NAHASDA has resulted in tens of thousands of more housing units being constructed, as well as increased tribal capacity to address related infrastructure and economic development challenges.



The NAHASDA authorizes several programs and activities that are in need of additional funding, including: the Indian Housing Block Grant; Indian Community Development Block Grant; Sections 184 and 184A Guarantee Loan Program; Title VI Guarantee Loan Program; and NAHASDA's Training and Technical Assistance Funding.

*Indian Housing Block Grant*

NCAI recommends that the Indian Housing Block Grant (IHBG) be funded at not less than \$675 million. IHBG funding is important for housing development, construction, infrastructure, maintenance, and repair in Native communities. These funds also assist tribal governments and TDHEs to leverage other funds, such as low-income housing tax credits.

*BIA Roads Maintenance*

NCAI recommends \$30 million for the BIA Road Maintenance Program. Currently, BIA needs \$290 million per year to maintain BIA-owned roads and bridges to an adequate standard. Costs to maintain these roads have risen sharply due to high inflation for construction. However, for FY 2013, only \$25 million has been appropriated for BIA roads maintenance. It is critical that \$30 million be appropriated for the BIA Road Maintenance program in FY 2015.

**Human Services**

*Child Welfare*

Tribes have an important relationship with their children and families: they are experts in the needs of American Indian and Alaska Native (AI/AN) children, best suited to effectively serve those needs, and most able to improve child welfare outcomes for these children. Many states find tribes to be an essential part of the child welfare system because of the help and relief they offer through the provision of culturally competent services and needed out-of-home placements for tribal children. Self-determination is essential to good outcomes for Native children in both state and tribal child welfare systems. Successful tribal child welfare requires a budget that avoids unnecessary restraint to tribal decision making. Funding must provide flexible opportunities that allow tribes to design their child welfare services to meet the needs of American Indian and Alaska Native children and families. In addition, Native communities have elevated risk for child abuse and neglect. Funding must account for this elevated need and the United States' corresponding trust responsibility for the protection and preservation of tribes' most vital resource—American Indian and Alaska Native children.

*Department of Health and Human Services*

*Promoting Safe and Stable Families (Social Security Act, Title IV-B, Subpart 2):* NCAI recommends increasing funding to \$75 million for FY 2015 to allow more tribes, who are currently ineligible due to a funding formula that denies funds to tribes eligible for less than \$10,000, to access these funds.

Promoting Safe and Stable Families is a program designed to provide funds to operate a coordinated child welfare program that includes family preservation, family support, reunification, and adoption support services. Promoting Safe and Stable Families has both a mandatory capped entitlement appropriation, as well as a discretionary appropriation. Tribes are eligible for funds based on a three percent set-aside.

All tribes whose plan receives approval are eligible for a portion equal to that tribe's proportion of children compared with the number of children for all tribal entities with approved plans. Tribes who would qualify for less than \$10,000 under the formula are not eligible to receive any funding.

Tribal child welfare programs work tirelessly to strengthen families and provide services that keep children safely in their homes. In state systems, when child abuse or neglect is substantiated, Native children are three times more likely to be removed from their home—as opposed to receiving family preservation services—than their non-Native counterparts.<sup>44</sup> Because of this, tribes across the nation are working to increase their child welfare capacity and assume the care of more children and ensure that Native families are kept together.

An integral part of this work is the Promoting Safe and Stable Families Program—which focuses on preventing the unnecessary removal of children—by supporting parenting classes, home-visiting services, respite care for caregivers of children, and other services that safely preserve families.

One hundred and thirty tribes and tribal consortia depend on this funding to provide child welfare services that strengthen families and prevent unnecessary removal of AI/AN children from their homes. Yet because of the funding levels, many tribes are ineligible for these formula grant dollars as their portion of the tribal set-aside is less than \$10,000. Increasing this program to \$75 million (still \$125 million below the authorized appropriations) could help dozens of new tribes access this funding and augment the programming of the 130 tribes and consortia currently funded.

#### Substance Abuse and Mental Health Services Administration

*Programs of Regional and National Significance: NCAI recommends increasing the funding to the FY 2011 level of \$9 million, and reserve \$6 million specifically for the Circles of Care Program.*

The Children and Family Programs line item in the Substance Abuse and Mental Health Services Administration (SAMHSA) budget represents funds allocated to support State/Community Partnerships to Integrate Services and Supports for Youth and Young Adults Program and the Circles of Care Program. Although tribes are eligible for State/Community Partnerships to Integrate Services and Supports for Youth and Young Adults, none have received funding under this competitive grant program which is a five-year pilot program designed to facilitate a successful transition to independence and adulthood for young adults with serious mental health conditions. Circles of Care is a competitive grant program that is the cornerstone of tribal Children's Mental Health and comprised of all tribal grantees. Indian Country's primary concern under this line item is the appropriation of funds necessary for the Circles of Care Program.

Circles of Care is a three-year planning grant that supports the development of capacity and infrastructure necessary for a coordinated network of holistic, community-based, culturally appropriate interventions designed by and for the community to help children with serious behavioral health issues access services and find wellness. The Circles of Care program is the only SAMHSA grant program that is focused specifically on children's mental health issues in Native communities. It is also the only SAMHSA program that allows tribes and tribal organizations to apply without competing for funding with other governmental entities like states, counties, or cities. There are currently seven communities receiving Circles of Care funding.

American Indian and Alaska Native children and youth face a “disproportionate burden” of mental health issues while simultaneously facing more barriers to quality mental health care.<sup>46</sup> Programs like Circles of Care, which provide communities with the funding to plan and build culturally competent services and design integrated supports that meet the specific needs of their youth with behavioral health challenges, are essential to the well-being of Native youth today.

Since its inception in 1998, the Circles of Care Program has impacted 38 different tribal and urban Indian communities. These programs have been incredibly successful in creating long-term sustainable systems change. Of the 31 total graduated Circle of Care grantees, 12 have obtained direct funding to implement their system change efforts through the Child Mental Health Initiative (CMHI) Program (which funds Systems of Care grants), and four others have partnered with other CMHI-Systems of Care grantees to implement their models. The others have developed various alternative strategies to operationalize and sustain their system change plans to care for youth with mental health challenges.

It is essential that funding be renewed to FY 2011 levels in FY 2015, with \$6 million under this line item reserved for the Circles of Care program. This will ensure that the Circles of Care program can continue and a new robust cohort of tribal communities can have the opportunity to plan for the systems change necessary to ensure the well-being of their children and youth struggling with mental illness.

#### Education

“We have a generational transformation going on in this country—I know that is true in Indian Country as well. . . . If our children are not well educated, and if they are not educated in a culturally appropriate way, you are not going to achieve. . . . [the] goals for your tribes and your cultures, nor the goals of these young people to realize their dreams.”

— Secretary Sally Jewell,  
Remarks at the 2013 White House Tribal Nations Summit

America’s highest priority must be to provide all of our nation’s children with an excellent education, including American Indian and Alaska Native youth. Ensuring equal educational opportunities is not simply a matter of fairness, but even more importantly in today’s tough economic climate, it is an essential strategy for creating jobs and securing the nation’s future prosperity. As President Obama has stressed time and again, improving American education is an “economic imperative.”

Research consistently demonstrates that investments in education contribute to economic growth, while also expanding opportunities for individual advancement.<sup>19</sup> For example, a 2007 Brookings Institution study revealed that investments in education and training programs provide a payoff between five and 15 percent per year compared to their upfront costs.<sup>20</sup> Likewise, cutting statewide public K-12 expenditures by just one percent would reduce a state’s employment rates by 0.7 percent in the short run and by 1.4 percent in the long run.<sup>3</sup>

*Department of the Interior, BIE, School Construction and Repair*

NCAI recommends \$263.4 million for Bureau of Indian Education (BIE) school construction and repair. This funding category includes school construction, facilities improvement and repair, and replacement school construction. Schools operating within the BIE system are woefully outdated and in some cases, dangerous for students and staff. Currently more than 60 BIE schools are rated in "poor" condition, which puts Native students at an unfair disadvantage. Students cannot be expected to succeed in environments that are often dilapidated and unsafe. Further, moratoriums on new construction only cause backlogs of construction projects. The federal government must uphold its trust responsibility to Native education and adequately fund construction and repair projects.

*Impact Aid*

NCAI recommends \$2 billion for Impact Aid, Title VIII funding under the No Child Left Behind Act. Impact Aid provides direct payments to public school districts as reimbursement for the loss of traditional property taxes due to a federal presence or activity, including the existence of an Indian reservation. With nearly 93 percent of Native students enrolled in public schools, Impact Aid provides essential funding for schools serving Native students. In Fiscal Year 2013, Impact Aid was cut by approximately \$100 million dollars by sequestration from the Fiscal Year 2012 level of \$1.1 billion, which forced school closures and school consolidation across many Native communities. In order to ensure Native students have access to education, Impact Aid must be fully funded at \$2 billion. Furthermore, Impact Aid should be converted to a forward-funded program to eliminate the need for cost transfers and other funding issues at a later date. The President requested a cut to Impact Aid in FY 2015 of \$67 million compared to FY 2014.

*Title VII (Indian Education Formula Grants)*

NCAI recommends \$198 million for Title VII funding under the No Child Left Behind Act. This grant funding is designed to supplement the regular school program and assist Native students so they have the opportunity to achieve the same educational standards and attain parity with their non-Native peers. Title VII provides funds to school divisions to support American Indian, Alaska Native, and Native Hawaiian students in meeting state standards. Furthermore, Title VII funds support early-childhood and family programs, academic enrichment programs, curriculum development, professional development, and culturally-related activities. Currently, funding for Title VII only reaches 500,000 Native students leaving over 100,000 without supplementary academic and cultural programs in their schools. As Native students are far behind their non-Native peers in educational achievement, increased funding is necessary to address this substantial gap.

NCAI has also developed many other recommendations for Indian education programs published in the FY2015 Indian Country Budget Request.<sup>41</sup>

### Department of Justice

Congress has taken historic steps in recent years with the passage of the Tribal Law and Order Act in 2010 and the Violence Against Women Reauthorization Act of 2013 (VAWA 2013), both of which begin to address some of the structural barriers to public safety in tribal communities. For the promise of these laws to be fully realized, however, these laws must be fully implemented, which requires sufficient resources for tribal justice systems and ongoing coordination and consultation between various federal agencies and tribal governments. The Department of Justice recognized this reality in its recently issued Proposed Statement of Principles. The Proposed Statement articulates DOJ's belief that stable funding at sufficient levels for essential tribal justice functions is critical to the long-term growth of tribal institutions.<sup>41</sup>

This would also help foster economic development on tribal lands and improve the quality of life in immeasurable ways. The following budget recommendations also ensure that tribal law enforcement officers, emergency responders, and justice personnel are able to find work in the communities that need their services the most. As the federal government balances the national budget, it must also pledge to honor its distinct legal, treaty, and trust obligations to assist tribal nations in providing public safety to their citizens. Highly-functioning criminal justice systems and basic, on-the-ground police protection are fundamental priorities of any government; tribal governments are no different.

*Tribal Grants: NCAI recommends eliminating competitive grant funding process and utilize Justice Department appropriations as base funding where tribes and tribal courts themselves determine their own priorities.*

One of the biggest issues with DOJ funding is that it is competitive funding for whatever issue DOJ deems the priority at that particular moment (which changes frequently). In order to obtain this funding, tribes – on behalf of their tribal courts – must compete against each other under DOJ's priorities and guidelines. In the end, the tribes that have the financial and human resources to employ experienced grant writers end up receiving funding, while the under-resourced tribes are left without.

The approach instead should be to utilize Justice Department appropriations as base funding where tribes are encouraged to determine their own priorities. DOJ posed the idea of base funding in the form of a block grant at the most recent Office on Violence Against Women (OVW) tribal consultation. While this is a welcome step in the right direction, tribal governments should be afforded base funding from DOJ appropriations across the board, and not limited to solely the OVW.

*NCAI supports a seven percent tribal set-aside from funding for all discretionary Office of Justice Programs (OJP) programs, ensure that those funds are allocated as flexible base funding, and see that each formerly separate program area receives funding at or above the FY 2010 funding level of \$50 million, including tribal courts and jails construction, legal assistance, juvenile delinquency prevention, and substance abuse prevention.*

Congress should adopt the seven percent tribal set-aside in OJP funding and, at a minimum, restore funding levels for DOJ tribal justice programs to their FY 2010 level of \$50 million. Tribal nations are in a unique place right now, where Congress has opened the door to new possibilities through

passage of the comprehensive TLOA, but they lack the resources necessary to make huge strides in providing public safety on the reservation. We urge Congress to act now to restore funding for DOJ tribal justice programs.

In particular, the seven percent tribal set-aside of OJP programs is extremely important to tribes, because it would allow for a more flexible funding structure, and because it complements the Department of Justice's Coordinated Tribal Assistance Solicitation (CTAS). CTAS attempts to streamline the grant application process for tribes, enabling them to submit a single application and select multiple purpose areas, as opposed to previous years in which they were required to submit multiple grant applications. However, this streamlined application model will not achieve its intended success unless and until it is accompanied by a streamlined funding mechanism.

The President's FY 2015 Budget requests \$395.4 million for the Department of Justice (DOJ) public safety initiatives in Indian Country (including \$375.4 million in discretionary funds and \$20 million from the Crime Victims Fund, a mandatory account). This is a \$5.9 million increase compared to the President's FY 2014 DOJ request, and it demonstrates the Administration's continued commitment to improving the criminal justice system on tribal lands.

The Crime Victims Fund, administered by the Office for Victims of Crime (OVC) within DOJ's Office of Justice Programs (OJP) includes the \$20 million set-aside for tribal victim assistance within the Crime Victims Fund, which was initiated in FY 2014. The Crime Victims Fund was initially established to address the need for victim services programs, and to assist tribal, state, and local governments in providing appropriate services to their communities. The Fund is financed by collections of fines, penalty assessments, and bond forfeitures from defendants convicted of federal crimes, but until last year, tribes have only been eligible to receive a very small portion of the discretionary funding from the Fund. The tribal funding is requested as part of OVC's Vision 21 initiative, a strategic planning initiative based on an 18-month national assessment by OJP that systematically engaged the crime victim advocacy field and other stakeholder groups in assessing current and emerging challenges and opportunities facing the field. The initiative focuses on supplemental victims services and other victim-related programs and initiatives in areas like research, legal services, capacity building, national and international victim assistance, and—of course—tribal assistance.

Similar to the President's 2013 and 2014 requests, the Department again proposes bill language for a 7 percent tribal set-aside from all discretionary Office of Justice Programs to address Indian country public safety and tribal criminal justice needs. Under the FY 2015 request, the 7 percent set-aside totals approximately \$102.8 million—a slight increase from last year's request.

The President's DOJ budget requests \$423 million for the Office on Violence Against Women (OVW), \$46.1 million of which will be aimed at addressing the high victimization rates of American Indian and Alaska Native women for the crimes of domestic violence, sexual assault, dating violence, and stalking on tribal lands. Of these funds, about \$35.7 million is requested for disbursement through the VAWA Grants to Indian Tribal Governments Program, while \$6.2 million would be funneled to tribal coalitions through the VAWA Tribal Coalitions Grants Program and \$2.7 million would go to tribes under VAWA's Sexual Assault Services Program. Also within these OVW funds, the President has requested that \$500,000 be available for an Indian Country Sexual Assault Clearinghouse that offers a one-stop shop for tribes to request free on-site training and technical assistance.

This year's DOJ budget also requests a total of \$1.6 million for the Office of Tribal Justice (OTJ) to, amongst other things, help fund a total of six attorney positions in FY 2015. This request is identical to FY 2014. The request for additional staffing resources was made in recognition of the increased workload and duties of OTJ staff in recent years, particularly since the Tribal Law & Order Act of 2010 established OTJ as a permanent component of the Department. Hundreds of federal cases, in addition to other conflicts needing resolution are generated in Indian country each year, and OTJ serves as the primary point of contact between all 566 federally recognized tribes and DOJ on these matters. Additionally, with the special domestic violence criminal jurisdiction (SDVCJ) tribal provisions of the Violence Against Women Reauthorization Act of 2013, OTJ plays an important role in implementation. OTJ coordinates these complex matters, the underlying policy, and emerging legislation between more than a dozen DOJ components active in Indian country. As such, it is imperative that OTJ has the necessary resources to sufficiently fulfill all of these obligations.

Additionally, the FY 2015 budget request for tribes under the Community Oriented Policing Services (COPS) program to fund tribal law enforcement expenses is \$35 million, an increase of \$15 million from the FY 2014 requested amount. This program provides funding and resources to meet the public safety needs of law enforcement and advance community policing on tribal lands. The President's FY 2015 increase brings the amount closer to his request in FY 2012 (which was closer to \$42 million). These funds are critical for the hiring and retention of tribal law enforcement officers.

*NCAI recommends increasing funding of tribal law enforcement programs under the Department of Justice's Community Oriented Policing Services (COPS) Grants to \$52 million.*

Since the creation of the COPS Office under the Violent Crime Control and Law Enforcement Act of 1994, the COPS Office has awarded over 2,000 grants totaling more than \$400 million to tribal nations to hire more than 1,700 new or redeployed law enforcement officers. It has also helped tribes to obtain necessary law enforcement training, equipment, vehicles, and technology.<sup>14</sup> Through its Tribal Resources Grant Program and Tribal Methamphetamine Program and historical programs and funding initiatives such as the Tribal Hiring Renewal Grant Program (THRGP), Tribal Mental Health and Community Safety Initiative, and the Tribal Court Pilot Program, the COPS Office has taken a proactive approach toward addressing the needs of tribal nations and has become one of the primary resources available to tribal law enforcement agencies attempting to develop and maintain a fundamental policing infrastructure and upgrade outdated equipment. Yet, there is still a tremendous unmet need within tribal justice systems for more COPS funding. The COPS Office has acknowledged that due to limited resources, it has not been able to adequately fund tribal justice systems, particularly in the area of hiring/retaining tribal law enforcement officers. In a report released in December 2010, the COPS Office described its practice of intermittent funding as "problematic," especially "when referring to hiring of officers." Hiring more tribal police officers should be a top priority for reasons of public safety. Indian Country urges Congress to significantly increase funding for tribal law enforcement programs under the COPS program.

DOI's FY 2015 Budget Request for Indian Country programs is an increase over its FY 2014 numbers, which is particularly encouraging given the current budget climate in Washington, DC. Moreover, DOI's request provides tribes with more flexibility in how they spend their DOJ grant dollars, demonstrating the Justice Department's continued commitment to tribal self-determination and the improved administration of justice on Indian lands.

### Environmental Protection Agency

Although the President's FY 2015 Budget request for EPA is \$7.89 billion, \$310 million or nearly 4 percent below FY 2014 enacted funding of \$8.2 billion, many of the tribal set asides received increased funding. Recognizing tribes and states as the primary implementers of environmental programs, the EPA continued funding its State and Tribal Assistance Grants program, which accounts for the largest percentage of the EPA's budget request at over 38 percent. Further, tribes received a substantial increase of approximately \$31 million over FY 2014 enacted appropriations to the Tribal General Assistance Program (GAP). These additional funds will assist tribes in capacity building and promote protections for the environment and human health. NCAI supports the proposed increase for the GAP program.

However, the Clean Water and Drinking Water State Revolving Funds, which provides low-interest loans to tribes and states for new infrastructure improvements projects for drinking water and public treatment systems saw a reduction in requested funding by \$581 million from the FY 2014 enacted budget to \$1.775 billion—\$1.018 billion for Clean Water and \$757 million for Drinking Water.

Prior to allotting DWSRF to states, the EPA will reserve up to 2 percent, or \$20 million, whichever is greater, of appropriated funds for Indian tribes and Alaska Native Villages. These funds are awarded either directly to tribes or, on behalf of tribes, to the Indian Health Service through interagency agreements.

EPA (\$ in millions)	FY2013 Actual	FY2014 Enacted	FY2015 Request	FY15 - FY14
Alaska Native Villages	9.5	10	10	0
Tribal Air Quality Management	12.3	12.8	12.8	0
Tribal General Assistance Grants	66.4	65.4	96.4	31
State and Tribal Assistance Grants	3,392	3,535	3,055	(530)
Clean Water State Revolving Fund	1,422	1,923	1,018	(905)
<i>Tribal Resources</i>	18.6	29	30	1
Drinking Water State Revolving Fund	927	1,002	757	(245)
<i>Tribal Resources</i>	14.3	18.1	20	1.9
Climate Change/Air Quality	955.6	985	1,031	46.1

#### Tribal General Assistance Program (GAP) Grants

This reflects an increase in base funding available for GAP grants, which will: (1) increase the average size of grants made to eligible tribes while providing tribes with a stronger foundation to build tribal capacity; and (2) further the EPA's partnership and collaboration with tribes to address a wider set of program responsibilities and challenges. As the largest single source of the EPA's funding to tribes, the Tribal GAP grants assist tribes to establish the capacity to implement programs to address environmental and public health issues in Indian Country. NCAI supports this proposed increase.

### Department of Energy

Tribal lands contain abundant and largely underdeveloped conventional and renewable energy resources that hold great promise for current and future generations of Native peoples. Even with



this substantial potential, there are only two commercial-scale renewable energy projects operating in Indian Country. In the conventional energy field, tribes boast nearly a quarter of the nation's on-shore oil and gas reserves and developable resources and one-third of the nation's western low-sulfur coal. The Three Affiliated Tribes of North Dakota celebrated a groundbreaking ceremony May 8, 2013, for their \$450 million Thunder Butte Refinery.

Nevertheless, tribes and Native communities face not only many of the same challenges in developing their energy resources and infrastructure that state and local governments and non-Indian communities face but also additional challenges—including special laws, regulations, and policies that are completely unique to Indian Country and often to a specific tribe, as well as grossly inadequate physical infrastructure, limited access to capital, and high workforce training and development needs.

In addition, tribes need access to the capacity and technical assistance necessary to advance the 150-plus energy projects that they are currently moving into the development, financing, and construction stages.

Only a few nationwide tribal examples exist to extrapolate successful renewable energy development models, and a report produced by the National Renewable Energy Lab (NREL DOE) provides tribes with basic information regarding the development potential for renewable energy—biomass, geothermal, hydroelectric, solar, and wind—on tribal lands. It provides detailed renewable energy potential information by tribal territory and resources throughout the United States in order to help tribes identify areas where development may be an option, and where tribal or private investment in renewable energy may assist in achieving a tribe's economic development, energy savings, or self-sufficiency goals.

In FY 2015, the Office of Indian Energy Policy and Programs (IE) would move out of the Departmental Administration (DA) account and be established as a new stand-alone office, with a separate appropriation under Energy Programs. NCAI has been advocating for this and was pleased to see that it may come to fruition. Energy Efficiency and Renewable Energy's Tribal Energy Program and the DA's Office of Indian Energy Policy and Programs would be consolidated under the new IE appropriation to promote alignment of the Department's Indian energy policies and financial assistance programs. Consolidation will result in more efficient and effective administration and management of Tribal activities and programs via a single program office.

There are two new initiatives for the Office of Indian Energy, Policy and Programs; the financial and technical assistance for micro-grid projects and electrification infrastructure projects; and climate mitigation and adaption for clean energy systems in Indian Country.

Additional resources are being directed into technical assistance and competitive grant programs for tribes. Technical and financial assistance is necessary to help support clean energy development, energy efficiency improvements, electrification projects, and other greenhouse gas emission mitigation technologies for tribes, including, but not limited to, fossil fuel electric generating plants or peaking units that utilize carbon sequestration systems, and/or operate in conjunction with solar, wind, or other sources of renewable energy. NCAI has consistently advocated consolidating programs under the Office of Indian Energy pursuant to the Energy Policy Act of 2005's Title V.

The Office of Indian Energy Policy & Programs would receive \$2.5 million for FY 2015 and the Tribal Energy Programs would receive \$13.5 million for FY 2015, for a total of \$16 million for the Office of Indian Energy Policy & Programs.

(Dollars in thousands)	FY13 Current	FY14 Enacted	FY15 Request	FY15 vs. FY14
Office Of Indian Energy Policy and Programs				
Office of Indian Energy Policy and Programs (IE)	0	0	2,510	2,510
Office of Indian Energy Policy and Programs (DA) (non-add)	1,928	2,506	0	N/A
Tribal Energy Program (IE)	0	0	13,490	13,490
Tribal Energy Program (EE) (non-add)	9,421	6,996	0	N/A
Total, Office of Indian Energy Policy and Programs	0	0	16,000	16,000

#### Department of Agriculture

Agriculture programs are vitally important to Native economies and are the economic backbone of more than 200 tribal communities. In fact, 35 percent of American Indians and Alaska Natives live in rural communities. The Department of Agriculture (USDA) houses programs that broadly touch every aspect of Native communities. USDA works with other related federal agencies and is a major component of Indian Country's economic, employment, and nutrition. Nearly 40 percent of Indian Country's jobs are dependent on agriculture. Federal funding for agriculture, ranching, subsistence fishing and farming, conservation, forestry, housing, water, broadband, and related activities through USDA programs must be enhanced. These programs generate significant benefits for tribes, rural communities, and the nation by promoting economic development, job opportunities and growth, community revitalization, self-sufficiency, youth engagement, and healthier eating.

#### Food Distribution Program on Indian Reservations (FDPIR): Traditional and Locally Grown Foods – Local Fund: NCAI recommends an increase to \$5 million.

The quality of food packages needs to be dramatically improved to help fight the health deficiencies of American Indians on reservations. Foods with lower fat, higher whole wheat, lower sodium and sugar content are crucial to improve nutritional quality and lower high diabetes rates. For nearly a century, Tribes have been asking that more traditional Native American foods be included in the FDPIR program. Finally, the 2008 Farm Bill established a "Traditional and Locally Grown Food Fund" that allows Tribal programs at the local level to administer a small fund to purchase foods designated "traditional" to that community or "locally grown" for inclusion into food packages, and supports the procurement of the foods by Native American farmers and ranchers. NCAI strongly supports full funding of this local fund. Congress recognized this issue by creating a demonstration in the 2014 Farm Bill for the inclusion of traditional and locally grown foods in FDPIR. Funding is needed to make sure that this important program and project get started and that our Native farmers, ranchers, and producers and tribes have the tools necessary to be involved in these programs.

USDA Secretary's Office of Tribal Affairs  
*NCAI recommends an increase to \$1.5 million.*

The Office of Tribal Relations (OTR), located within the Office of the Secretary, is a critical voice for agriculture in Indian Country within USDA, especially since a vast majority of USDA's services and programs effect and touch tribal lands and communities. Many times decisions and awareness, both within the agency and within Indian Country are lacking. OTR serves a linchpin role in expanding all USDA program support throughout Indian Country, as well as ensuring that relevant programs and policies are efficient, easy to understand, accessible, and developed in consultation with the American Indians and Alaskan Native constituents they impact. OTR is also responsible for coordinating policy affecting American Indians and Alaska Natives across other federal agencies and throughout the USDA. Since it is now a permanent office under the Office of the Secretary and with the plethora of new and improved programs for Native Americans in the 2014 Farm Bill, OTR needs to be funded at least \$1.5 million.

Rural Utility Services

The FY 2014 budget for has been cut by nearly \$3 billion dollars from FY 2012 and 2013 levels. The additional funds in FY 2102 in FY 2013 that will not be available in FY 2014, will leave a noticeable gap in services and development in many Native communities. USDA-RD began implementing changes in 2012 designed to improve access to RUS funding for individuals living in Substantially Underserved Trust Areas (SUTA)—including Indian lands and lands owned by Alaska Native Regional Corporations and Village Corporations—to improve basic services, including: water and waste disposal, rural electrification and high-cost energy, telecommunications and broadband infrastructure, and distance learning and telemedicine. The SUTA changes, authorized by the 2008 Farm Bill (but not appropriated), will require additional funding for administration as well as for programs and loan authority within RUS. It is important that funding is available now that access is improved.

Of special concern is the need to maintain funding for tribal set-asides for water, wastewater, and solid waste management for Indian country and Alaska Native villages. USDA's Water and Environmental Program (WEP) provides a combination of loans, grants, and loan guarantees for drinking water, sanitary sewer, solid waste, and storm drainage facilities in tribal and rural areas and cities and towns of 10,000 or less. WEP also makes grants to non-profit organizations to provide technical assistance and training to assist rural communities with water, wastewater, and solid waste management. Last year, funding for WEP was substantially cut and only provided tribal-specific grants and loans of \$22 million for tribes in the lower 48 states and \$23 million for Alaska Native villages, equaling cuts of \$26 million and \$61 million respectively.

More than 12 percent of tribal homes lack access to safe drinking water and basic sanitation, which is a rate more than 20 times the national average.<sup>381</sup> For example, many Alaska Native villages must transport human waste in large containers to open pit sewage lagoons. The federal government's failure to address this situation is unacceptable, especially in light of its trust obligation to tribal nations. The existing federal budget does not make a significant dent in addressing this fundamental deficit in quality of life for Native peoples and the FY 2013 cut to this budget makes it worse, exposing Native peoples and youth to unhealthy water and its subsequent detrimental impacts to human health, economic development, and community morale.

Federally-Recognized Tribal Extension Program

*NCAI recommends increasing the Federally-Recognized Tribal Extension Program (FRTTEP) to \$6 million.*

The 1994 Extension Program is designed to complement, not duplicate, the Federally-Recognized Tribal Extension Program (FRTTEP). Ironically, the 1994 Institutions – tribal colleges and universities – are the only members of the land grant system that are not eligible to compete for these grant dollars. The 1994 Extension Program activities include: outreach to at-risk youth; business skills development for local agriculture entrepreneurs; Native plant restoration and horticulture projects; environmental analysis and water quality projects; and nutrition projects aimed at addressing health disparities, such as high rates of diabetes among Native populations. Eleven years ago, while the 1994 Extension Program suffered a 13 percent cut in appropriated funding, the 1862 and 1890 extension programs were reduced by just 0.59 percent. In the years since, the 1994 Extension Program has been struggling to recover lost funds and opportunities. In FY 2013, the program was cut a further 7.5 percent by sequestration to just \$3.984 million. It is time that Congress adequately invests in the extension programs benefitting reservation communities. 1994 Institutions Research Grants

**Forestry**

Indians are among the largest owners of commercial forestry resources in the United States. Of the total 56 million acres of federal Indian trust land, 16 million acres are forest lands, within which 7.3 million acres are designated for commercial forestry. The BIA estimates that these forests contain 44 billion board feet of commercial timber with an allowable cut of 1.02 billion feet per year. In the 1980s, these forests produced \$100 million annually in stumpage revenue and provided the equivalent of over 12,000 full-time, year-round jobs.

Increasingly, tribes are administering and controlling these resources that the Department of the Interior holds in trust. Commercial forestry on tribal lands is a key economic driver on over 103 reservations and the surrounding communities across 23 states. For example, some of the larger forested tribes operate the only sawmills in their region and are major employers of not only their own people, but of the non-tribal residents who live in or near their communities. Additionally, several timber tribes are engaging in biomass projects to generate renewable energy and jobs for tribal people and the surrounding community.

At present, there is at least a one million acre backlog in forestry management on federal Indian trust land. Tribal and US Forest Service (USFS) forests share 2,100 miles of common boundaries. Combining sound business practices, traditional ecological knowledge, modern techniques, and an inherent respect for the land, many tribes engage in superb sustainable forestry management practices that are recognized as innovative national (and international) models. Indian trust forests are significantly more productive, generating on a per-acre basis about 250 percent of the harvest produced by comparable USFS lands. These tribal achievements and initiatives demonstrate high return on federal dollars, which tribes accomplish in profoundly inequitable circumstances.

Despite the federal trust responsibility to sustain trust land and resources for the benefit of hundreds of thousands of tribal residents and their governments, natural resource-related programs continue to be underfunded—far below the funding levels necessary to fulfill the federal fiduciary

responsibility to protect the health and productivity of the trust corpus. Historically, tribal forests on a per acre basis have received about one-third of the funding provided to forests managed by the US Forest Service. Independent studies by nationally-recognized forestry experts in 1993 and 2003 documented BIA Forestry per-acre management funding is less than half of that of the National Forest System.

In an era where federal funding commitments must demonstrate high return and accountability for administering trust programs, tribal forests and their management are strong and essential investments.

The third Indian Forest Management Assessment states<sup>xiv</sup>:

During the development of the National Indian Forest Resources Management Act (NIFRMA) in 1991, Congress declared that the United States has a trust responsibility toward Indian forest lands, and that federal investment in Indian forest management is significantly below the level of investment in Forest Service, Bureau of Land Management, or private forest land management (25 USC Sec. 3111). We find that the federal government continues to inadequately fulfill its trust obligations to Indian forestry. This is evidenced by the fact that funding and staffing levels are lower now than at the time of IFMAT-I and well below those of comparable public and private programs.

NCAI supports the IFMAT-III recommendations that Indian forestry funding be increased by a minimum of \$112.7 million per year, including an increase in annual base level funding by \$100 million to \$254 million—the amount estimated necessary for a level of forest stewardship and timber production that would be consistent with Indian goals; and \$12.7 million to support education and professional training.

#### Conclusion

NCAI respectfully requests that these recommendations be included in the appropriations process and looks forward to working with this committee to ensure the trust responsibility is upheld in the FY 2015 budget.

## Appendix A

BIA, BIE By Activity, Sub-activity (Dollars in thousands)	FY2013 w ATB, pre- seq	FY2013 Actual	FY2014 Enacted	FY2015 Request	Change - FY14	% Δ - FY14	% Δ - FY13, pre-seq
Aid To Tribal Government	29,662	28,167	25,839	26,614	-1,225	-4.7%	-17.0%
Consolidated Tribal Gov. Program	77,260	73,366	74,623	76,343	1,725	2.3%	-1.7%
Self-Governance Compacts	157,936	149,977	152,681	158,767	5,886	3.9%	6.5%
Contract support	218,771	207,743	242,000	246,009	4,000	1.7%	12.4%
Indian Self-Determination Fund	1,996	1,895	5,000	5,000	0	0.0%	150.5%
New Tribes	319	303	463	463	0	0.0%	44.9%
Small and Needy	1,943	1,845	1,845	1,845	0	0.0%	-5.0%
Road Maintenance	25,403	24,123	24,303	24,461	158	0.7%	-3.7%
Tribal Govt Pgm Oversight	8,494	8,066	8,128	8,181	53	0.7%	-3.7%
Subtotal, Tribal Government	521,786	495,485	535,082	545,679	10,597	2.0%	4.6%
Social Services	34,219	32,494	35,763	40,371	5,108	14.3%	19.4%
Welfare Assistance	74,641	70,878	74,809	74,809	0	0.0%	0.2%
Indian Child Welfare Act	12,526	9,995	10,710	15,433	4,723	44.1%	46.6%
Housing Improvement Program	12,577	11,948	8,000	8,009	9	0.1%	-35.3%
Human Services Tribal Design	436,437	434	411	407	-4	-1.0%	-6.7%
Human Services Pgm Oversight	8,216	8,054	3,085	3,105	20	0.6%	-3.5%
Subtotal, Human Services	135,615	128,779	132,778	142,634	9,856	7.4%	5.2%
Natural Resources	5,201	4,939	5,165	5,089	-76	-1.5%	-2.2%
Irrigation Ops and Maintenance	11,923	11,322	11,342	11,359	17	0.1%	-4.7%
Rights Protection Implementation	31,000	29,437	35,297	35,420	123	0.3%	14.3%
TMD Program	9,709	9,220	9,230	9,244	14	0.2%	-4.8%
Endangered Species	1,232	1,170	2,673	2,675	2	0.1%	117.1%
Chap Landscape Conservation	997	946	9,947	9,948	1	0.0%	898.0%
Integrated Resource Info Program	2,102	1,996	1,996	3,996	2,000	100.2%	90.1%
Agriculture & Range	28,953	27,494	30,553	30,494	-59	-0.2%	5.3%
Forestry	45,958	41,742	47,735	45,895	-1,840	-3.9%	4.7%
Water Resources	10,098	9,589	10,543	10,267	-276	-2.3%	2.0%
Fish, Wildlife and Parks	11,354	10,782	15,223	15,577	354	3.1%	19.6%
Resource Mgmt Pgm Oversight	6,002	5,700	5,985	6,018	32	0.5%	0.3%
Total, Trust-NR Management	161,529	154,337	184,295	184,012	-283	-0.2%	13.2%
Trust Services	16,044	15,235	15,303	15,180	-123	-0.8%	-5.6%
Navajo-Hopi Settlement Program	1,188	1,128	1,135	1,147	12	1.1%	-3.4%
Probate	12,602	11,966	11,983	12,043	57	0.5%	-4.4%
Land Title and Records Offices	14,309	13,588	13,732	13,891	159	1.2%	-2.9%
Real Estate Services	37,331	35,449	35,400	36,435	935	2.6%	-2.4%
Land Records Improvement	6,757	6,416	6,423	6,435	13	0.2%	-4.8%
Environmental Quality	16,346	15,522	15,623	15,644	21	0.1%	-1.3%
Alaskan Native Programs	1,023	971	1,002	1,010	8	0.8%	-1.2%
Rights Protection	10,795	10,252	11,781	11,853	72	0.6%	3.3%
Trust - Real Estate Services Oversight	13,938	13,235	13,310	13,443	133	1.0%	-3.5%
Total, Trust-Real Estate Services	136,334	128,762	126,768	127,002	234	0.2%	-2.6%
Law Enforcement	319,454	303,351	325,696	327,296	1,600	0.5%	2.5%
Tribal Courts	24,646	25,404	23,241	23,280	39	0.2%	-5.5%
Fire Protection	880,713	837	1,077	1,274	197	18.3%	44.7%
Total, Public Safety and Justice	344,981	327,592	350,014	351,850	1,836	0.5%	2.0%
Job Placement and Training	11,502	10,922	10,920	11,463	543	5.0%	-0.3%
Economic Development	2,367	2,247	1,713	1,706	-7	-0.4%	-27.9%
Minerals and Mining	18,545	17,610	20,464	20,612	148	0.7%	11.1%
Community Development Oversight	2,303	2,193	2,203	2,215	12	0.5%	-4.1%
Total, Community/Economic Dev	34,722	32,972	35,300	35,996	696	2.0%	3.7%
Exec Dir and Admin Services	238,944	226,900	225,782	229,755	3,973	1.8%	-3.8%
BIE							

BIA, BIE By Activity, Sub-activity (Dollars in thousands)	FY2013 w ATB, pre- seq	FY2013 Actual	FY2014 Enacted	FY2013 Request	Change — FY14	% Δ - FY14	% Δ FY1 pre-1
Elem. & Sec Programs (fwd)	519,908	493,701	518,318	520,755	2,437	0.5%	0
Elementary and Sec Programs	122,501	116,326	118,402	119,195	793	0.7%	-2
Post Sec Programs (fwd)	68,394	64,947	69,793	69,793	0	0.0%	2
Post Secondary Programs	61,955	58,832	61,887	64,182	2,295	3.7%	3
Education Management	21,334	20,258	20,354	20,464	110	0.5%	-4
Subtotal, Indian Education	794,092	754,064	788,754	794,389	5,635	0.7%	0
TOTAL DIP Appropriation	2,963,002	2,243,891	2,378,763	2,412,596	33,833	1.4%	2
CONSTRUCTION							
Education Construction	52,779	52,779	55,285	55,533	248	0.4%	5
Public Safety and Justice	11,283	11,283	11,306	11,306	0	0.0%	0
Resources Mgmt Construction	32,657	32,657	32,759	34,427	1,668	5.1%	5
Other Program Construction	8,579	8,579	10,774	8,642	-2,132	-19.8%	-3
TOTAL, Construction	105,698	105,698	110,124	109,808	-216	-0.2%	4

<sup>i</sup> National Congress of American Indians. (January 2014). Fiscal year 2015 Indian Country Budget Requests: An honorable budget for Indian country. Washington, DC: Author.

<sup>ii</sup> US Commission on Civil Rights. (2008). *A quiet crisis: Federal funding and unmet needs in Indian Country*. Retrieved on January 10, 2014, from [www.usccr.gov/pubs/na0703/na0704.pdf](http://www.usccr.gov/pubs/na0703/na0704.pdf)

<sup>iii</sup> Indian Law & Order Commission. (November 2013). *A roadmap for making Native America safer: Report to the President & Congress of the United States*, Executive Summary, p. xxx. Retrieved on January 10, 2014, from [www.alsc.usdoj.edu/lto/report/files/A\\_Roadmap\\_For\\_Making\\_Native\\_America\\_Safer-Full.pdf](http://www.alsc.usdoj.edu/lto/report/files/A_Roadmap_For_Making_Native_America_Safer-Full.pdf).

<sup>iv</sup> National Tribal Budget Formulation Workgroup. *Creating a legacy of honor and trust: Striving for health parity for all American Indians and Alaska Natives, Recommendations on the Indian Health Service Fiscal Year 2015 Budget*. (May 2013). Washington, DC: National Indian Health Board. Retrieved on January 10, 2014, from [www.nihb.org/docs/07112013/FY%202015%20IHS%20budget%20full%20report\\_FINAL.pdf](http://www.nihb.org/docs/07112013/FY%202015%20IHS%20budget%20full%20report_FINAL.pdf).

<sup>v</sup> Alliance for Excellent Education. (2011). *Education and the economy: Boosting the nation's economy by improving high school graduation rates among students of color and Native students*, n. p. Retrieved on January 10, 2014, from [all4ed.org/wp-content/uploads/2011/06/EdEconBrief\\_sbsoc.pdf](http://all4ed.org/wp-content/uploads/2011/06/EdEconBrief_sbsoc.pdf).

<sup>vi</sup> Austin, A. (December 17, 2013). *Native Americans and jobs: The challenge and the promise*. Washington, DC: Economic Policy Institute. Retrieved on January 10, 2014, from [s3.epl.org/files/2013/NATIVE-AMERICANS-AND-JOBS-The-Challenge-and-the-Promise.pdf](http://s3.epl.org/files/2013/NATIVE-AMERICANS-AND-JOBS-The-Challenge-and-the-Promise.pdf).

<sup>vii</sup> <http://www.doi.gov/budget/upload/FY2014NativeAmericanCrosscut.pdf>

<sup>viii</sup> Indian Health Service budget narrative and recommendations found in this section were adapted from the Indian Health Service Budget Workgroup's FY2015 Budget Recommendations.

<sup>ix</sup> Hill, R. B. (2008). *An analysis of racial/ethnic disproportionality and disparity at the national, state, and county levels*. Seattle, WA: Casey Family Programs, Casey-CSSP Alliance for Racial Equity in Child Welfare, Race Matters Consortium Westat.

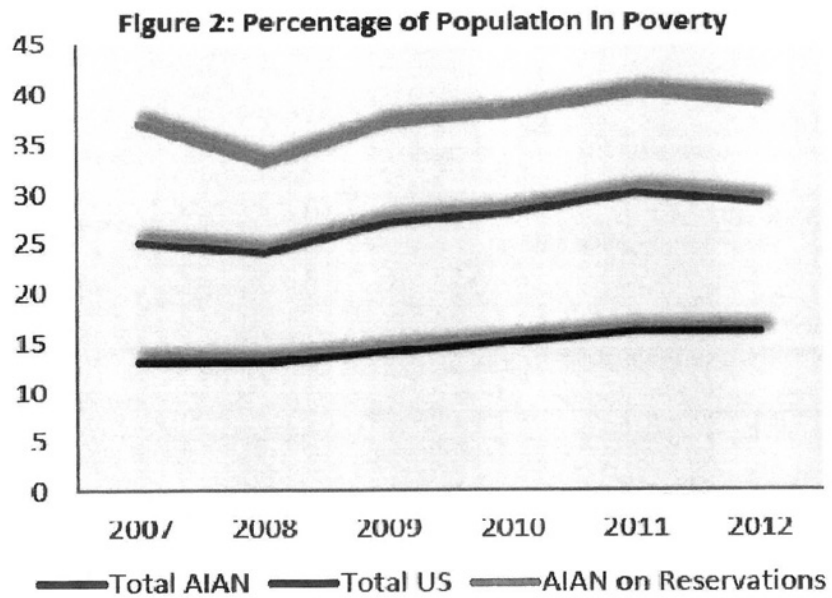
<sup>x</sup> Wolfe, B. L. & Haveman, R. H. (June 2002). Social and nonmarket benefits from education in an advanced economy. *Conference Series*; [Proceedings], Federal Reserve Bank of Boston, vol. 47: 97-142.

<sup>xi</sup> National Congress of American Indians. (January 2014). Fiscal year 2015 Indian Country Budget Requests: An honorable budget for Indian country. Washington, DC: Author. [http://www.ncai.org/NCAI\\_2014\\_Budget\\_Request\\_Education.pdf](http://www.ncai.org/NCAI_2014_Budget_Request_Education.pdf)

<sup>xii</sup> US Department of Justice. (November 2013). Proposed statement of principles for working with federally recognized Indian tribes, p. 2. Retrieved on January 10, 2014, from [www.justice.gov/tribal/docs/statement-of-principles-for-working-with-tribes.pdf](http://www.justice.gov/tribal/docs/statement-of-principles-for-working-with-tribes.pdf)

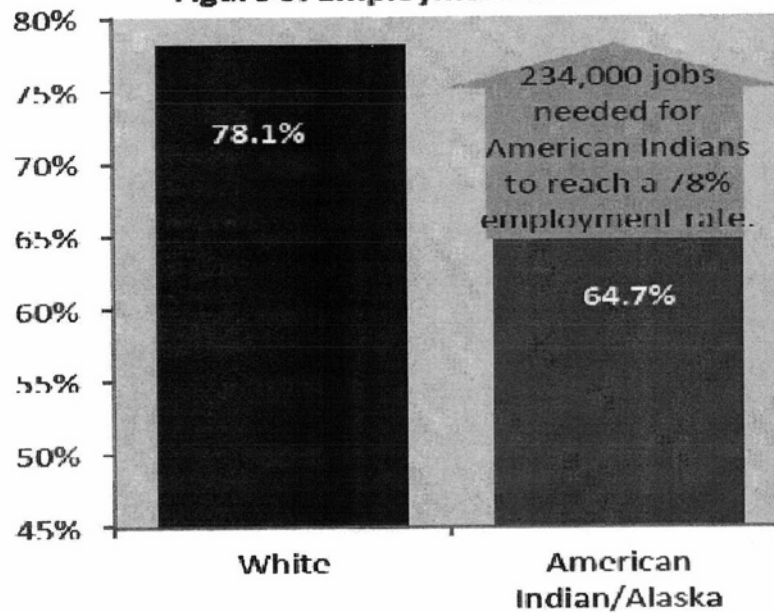
<sup>xiii</sup> US Environmental Protection Agency. (April 2010). *FY2011 National Water Program Guidance*. Washington, DC: Author. Retrieved on January 8, 2013, from <http://www.epa.gov/tp/pd/intra-task-force-progress.pdf>.

<sup>xiv</sup> [http://www.itcnet.org/file\\_download/e8b23806-5885-4e49-877f-936f2207bc0a](http://www.itcnet.org/file_download/e8b23806-5885-4e49-877f-936f2207bc0a)



Source: U.S. Census Bureau, "2007-2012 American Community Survey Estimates," Table B17001 and B17001C.



**Figure 3: Employment Rates**

Source: Austin, Algernon. 2013. "Native Americans and Jobs: The Challenge and the Promise." FPI

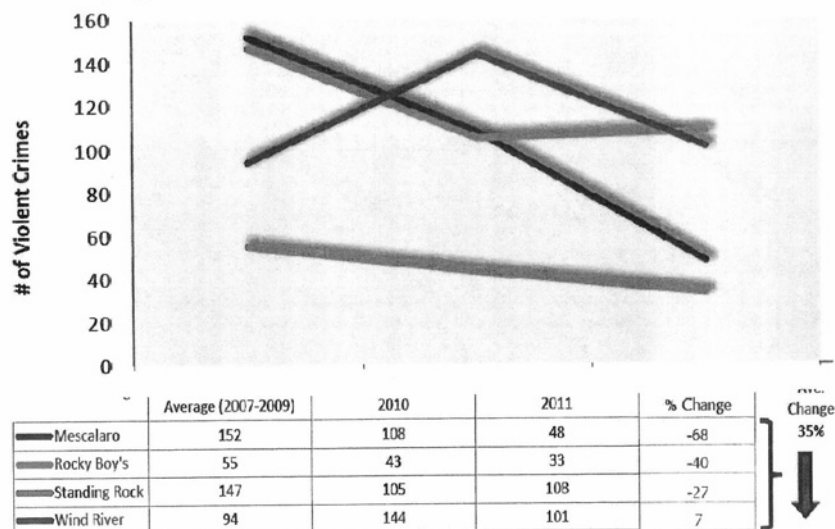
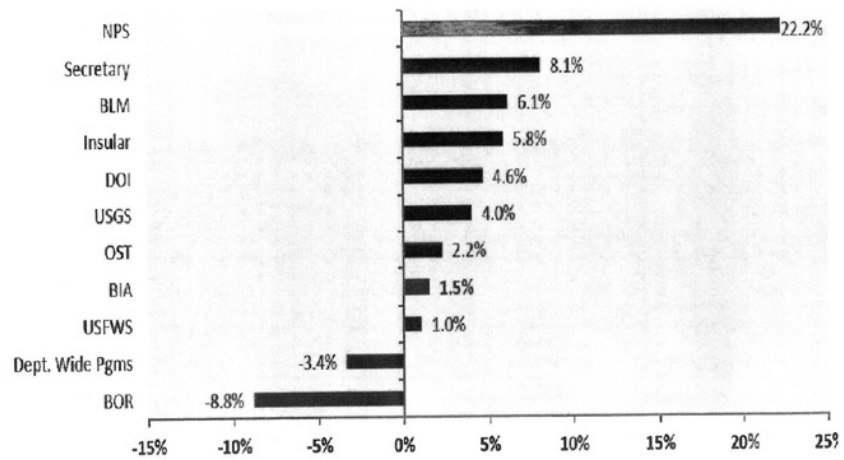
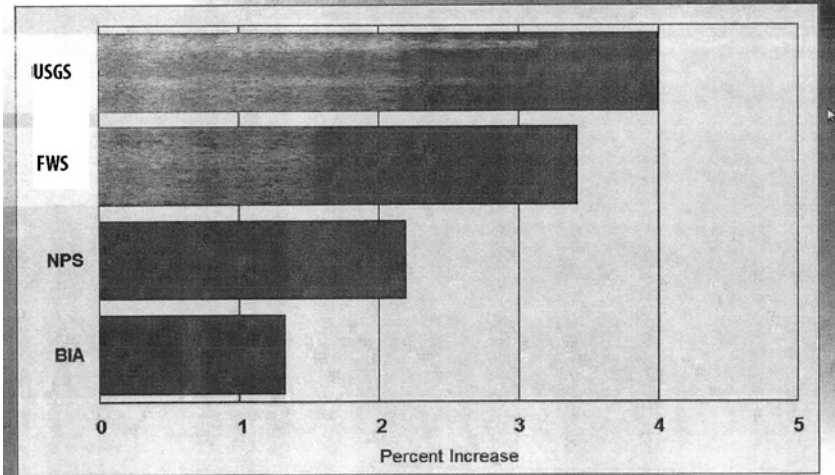
**Figure 4: Reduction in Violent Crime at HPPG Reservations**

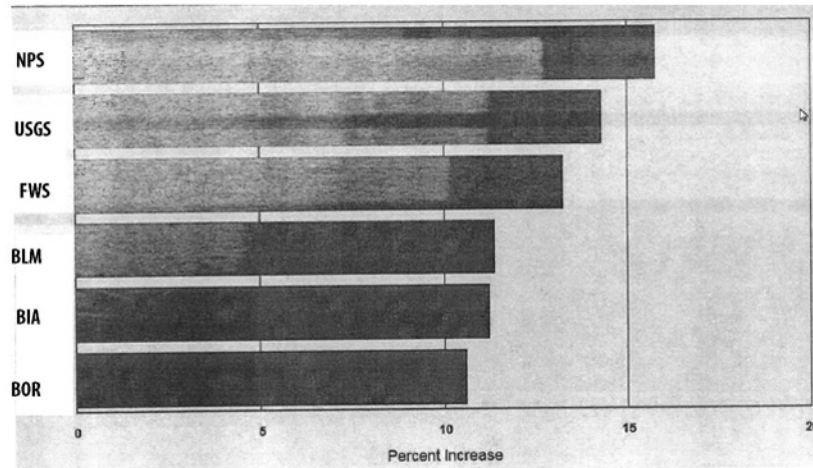
Figure: DOI Bureaus, % Change in Total Budget Authority  
FY 2014 Enacted to FY 2015 Budget Request



President's Requested Percentage Increase in Funding for Major Interior Agencies  
FY 2015 over FY 2014 Enacted.



Budget Increases for the 6 Largest Interior Agencies Fy 2004 to Fy 2015 (President's Budget Request)



### Cuts to Tribal Government Funding

1996 General Reduction: 16% 16%

2000-2013 ATB Rescissions: 8%

2013/2014 Sequester Cut: 5%

**Total Cuts since 1996: 29%**

- Only increases for most tribal programs programs were Pay Costs, but they were fully funded only once (2008)

- These figures do not take into account inflation

The CHAIRMAN. Thank you, Mr. Payment.  
Mr. Joseph, you are up.

**STATEMENT OF HON. ANDREW JOSEPH, JR., MEMBER-AT-LARGE/PORTLAND AREA REPRESENTATIVE, NATIONAL INDIAN HEALTH BOARD; CHAIR, NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD**

Mr. JOSEPH. Good afternoon, Chairman Tester.

I thank you for holding this important hearing on the fiscal year 2015 budget.

On behalf of the National Indian Health Board and the 566 federally-recognized tribes we serve, I submit this testimony.

My name is Andrew Joseph, Jr. I am an at-large executive committee member of the National Indian Health Board. I also serve as the Chair of the Northwest Portland Area Indian Health Board and as tribal co-chair to the National Tribal Budget Work Formulation Work Group.

First, I would like to thank the Committee for the work it has done to advance health care priorities for our people. In fact, due to the help of many members of this Committee, we were able to change the mind of the Administration on contract support costs. For this and all you have done and continue to do for the first people of this country, thank you.

Despite important changes in health care funding we have achieved over the last several years, we still experience many disparities. I look back home to my tribe and see us burying too many people. It is tough to be here at meetings in Washington and see three or four of our people have passed by the time I get home. This has to stop. The Federal Government has not fulfilled its promise and our people continue to suffer.

Considering the level of funding appropriated to IHS, these statistics are not surprising. In 2013, the IHS per capita expenditure for patient health services was \$2,800 compared to almost \$8,000 per person for health care spending nationally. The first people of this Nation should not be last when it comes to help. Let's change that now.

For fiscal year 2015, NIHB echoes the recommendations for the Tribal Budget Formulation Work Group and recommends \$5.3 billion for IHS overall. This request would allow the funding of current services and include program expansion increases in several key areas including Purchased/Referred Care hospitals and clinics, mental health, alcohol and substance abuse.

These programs represent the core of IHS work and areas of most critical need to our people. You will see in NIHB's written testimony greater details about each priority.

We also ask that sequestration cuts from fiscal years 2013 and 2014 be fully restored. Congress did not provide enough funding to fund contract support costs and restore the sequestration or provide increases in the other crucial service areas. Some accounts even received cuts beyond the fiscal year 2013 sequestration level in fiscal 2014. This, combined with medical inflation and additional staffing costs has not really allowed these budgets to move forward. We are once again losing ground in addressing health disparities suffered by our people.

I would also like to support several policy changes that would enable our IHS budget to be used in a better way. NIHB strongly supports Medicare-like rates for IHS Purchase/Referred Care. In

2003, Congress enacted legislation to require hospital providers to only pay Medicare-like rates when billing IHS through the Purchase/Referred Care Program, but non-hospital providers do not have this requirement.

We also echo the recommendation of the GAO who said that reimbursements for providers should be capped at Medicare-like rates.

Advance appropriations for IHS would allow tribally operated IHS programs to know what kind of funding they have a year in advance. This would mean that we could not only save the administration cost but would also be able to provide a better compendium of care for our people.

Finally, we support the immediate renewal of the Special Diabetes Program for Indians. This is saving lives and taxpayer dollars and must be renewed now.

You will see additional policy recommendations detailed in our written testimony. Thank you again for this opportunity to testify before the Committee today and for all the work you do to support Indian health.

I am happy to answer any questions you might have.

[The prepared statement of Mr. Joseph follows:]

PREPARED STATEMENT OF HON. ANDREW JOSEPH, JR., MEMBER-AT-LARGE/PORTLAND AREA REPRESENTATIVE, NATIONAL INDIAN HEALTH BOARD; CHAIR, NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

Chairman Tester, Vice Chairman Barrasso, and Members of the Committee, thank you for holding this important hearing on the FY 2015 President's Budget Request. On behalf of the National Indian Health Board and the 566 federally-recognized Tribes we serve, I submit this testimony.

First, I would like to start by thanking the members of this committee for their dogged determination in advocating for the rights of American Indian and Alaska Native (AI/AN) peoples. Consistently, this committee has been willing and ready to stand up for the trust obligations the Federal Government has toward American Indians and Alaska Natives. The United States assumed this responsibility through a series of treaties with Tribes, exchanging compensation and benefits for Tribal land and peace. The Snyder Act of 1921 (25 USC 13) legislatively affirmed this trust responsibility. To facilitate upholding its responsibility, the Federal Government created the Indian Health Service (IHS) and tasked the agency with providing health services to AI/ANs. Since its creation in 1955, IHS has worked to fulfill the federal promise to provide health care to Native people.

In passing the Affordable Care Act, Congress also reauthorized and made permanent the Indian Health Care Improvement Act (IHCIA). In renewing the IHCIA, Congress reaffirmed the duty of the Federal Government to American Indians and Alaska Natives, declaring that "it is the policy of this Nation, in fulfillment of its special trust responsibilities and legal obligations to Indians—to ensure the highest possible health status for Indians and urban Indians and to provide all resources necessary to effect that policy."

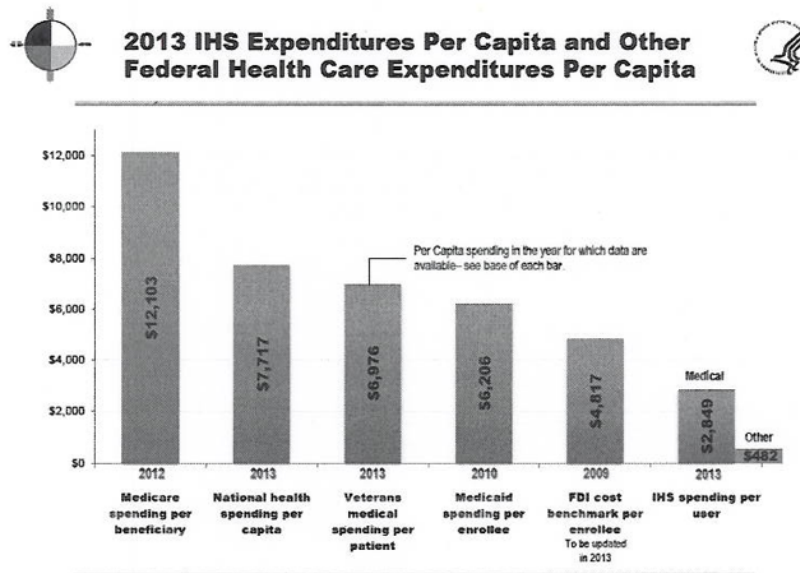
#### **Health Discrepancies for American Indians and Alaska Natives**

Despite these promises, the health of AI/ANs continues to fall far short of the health status of all other Americans. The AI/AN life expectancy is 4.1 years less than the rate for the U.S. all races population. AI/ANs suffer disproportionately from a variety of diseases. According to IHS data from 2005–2007, AI/AN people die at higher rates than other Americans from alcoholism (552 percent higher), diabetes (182 percent higher), unintentional injuries (138 percent higher), homicide (83 percent higher) and suicide (74 percent higher). Additionally, AI/ANs suffer from higher mortality rates from cervical cancer (1.2 times higher); pneumonia/influenza (1.4 times higher); and maternal deaths (1.4 times higher).

Devastating health risks from historical trauma, poverty and a lack of adequate treatment resources also continue to plague Tribal communities. According to IHS data, 39 percent of AI/AN women experience intimate partner violence, which is the highest rate of any ethnic group in the United States. One in three women in AI/

AN communities will be sexually assaulted in her lifetime. AI/ANs suffer at higher rates from psychological distress; feelings of sadness, hopelessness and worthlessness; feelings of nervousness or restlessness and suicide. Additionally, public health risks due to alcohol and substance abuse are sadly widespread in many Tribal communities, leading to other health disparities such as poverty, mental illness, and increased mortality from liver disease, unintentional injuries and suicide. Dental health concerns also continue to affect AI/ANs at higher rates than other Americans. Ninety percent of AI/AN children suffer from dental caries by the age of eight, compared with 50 percent for the same age in the US all races population. Our children ages 2 to 5 have an average of six decayed teeth, when children in the U.S. all races population have only one.

Clearly, more must be done to alleviate these health risks for our people and to fulfill the trust obligations to AI/ANs. When considering the level of funding appropriated to IHS, these statistics are not surprising. In 2013, the IHS per capita expenditures for patient health services were just \$2,849, compared to \$7,717 per person for health care spending nationally. Despite the historic increases that Congress has given to the IHS budget over the last several years, funding discrepancies unambiguously remain. The First People of this nation should not be last when it comes to health. Let's change that now.



#### Sequestration in FY 2013 and the FY 2014 Budget

As the Committee is well aware, the IHS budget lost \$220 million due to sequestration in FY 2013. This, combined with the two week long government shutdown at the start of FY 2014 was devastating many Tribal health programs. Many sites cut patient visits, furloughed staff and delayed or denied needed medical procedures. The tragedy of sequestration in Indian Country was a clear denial of the federal trust responsibility to Tribes and our communities became, yet again, an unfortunate victim of unrelated political battles in Washington. As then Senate Committee on Indian Affairs Chairwoman Maria Cantwell stated on November 14, 2013, "Our country's financial troubles are not really stemming from our obligations to Indian Country, and frankly, we're not doing a good job in fulfilling those obligations."

The Congress, in the FY 2014 budget did make a commitment to replace some of the funding lost due to sequestration in the previous year. However, due to priorities outlined by Congress and the rightful funding of Contract Support Costs, the IHS was not able to alleviate sequestration across most accounts and provided only nominal increases for those where the funding was restored. Some accounts even received cuts beyond the FY 2013 sequestration level in FY 2014. This, combined with medical inflation and additional staffing costs, have not really allowed these

budgets to move forward. Despite receiving these urgently needed increases, we are once again losing ground in addressing health disparities suffered by our people.

For FY 2015, Congress, *at a bare minimum* must truly restore these sequestration cuts, and adjust for inflation and population growth. Otherwise, our people will continue to experience some of the worst health disparities in the nation and continue to experience loss of lives due to sequestration cuts. To that end, Tribes also request that Congress enact legislation to exempt IHS and all programs serving Indian Country from any future sequestration. While discretionary spending is not facing sequestration in FY 2015, we urge this committee to continue to advocate with your colleagues in Congress to create a permanent, full exemption from sequestration, as well as rescissions, for Tribal programs for FY 2016 and beyond.

#### **FY 2015 President's Budget Request**

NIHB echoes the recommendations of the Tribal Budget Formulation Workgroup for FY 2015. The Tribal Budget request continues to be full funding of the Total Tribal Needs base budget of 28.7 Billion dollars over a 12 year period. This includes amounts for personal health services, wrap-around community health services and facility capital investments. However, for FY 2015, Tribes request total funding amount of *\$5.3 billion*. This request would enable the funding of current services and include program expansion increases in several key areas including purchased/referred care; hospitals and clinics; mental health and alcohol and substance abuse.

The NIHB and Tribes believe that the President's FY 2015 request a positive step forward for Indian Country. The President's overall proposal restores the cuts caused by sequestration and the cuts made in the FY 2014 IHS operating plan. NIHB commends the Administration for including a \$63 million increase to account for medical inflation and an additional \$2.6 million for pay cost increases at both the IHS and Tribal level. However, other challenges still remain in the federal budget, such as a long-term solution on Contract Support Costs when a long-term commitment is required; increased funding for Purchased/Referred Care (formerly Contract Health Services); increase for Mental Health care, screenings and services; and alcohol and substance abuse.

#### **Contract Support Costs**

Importantly, the FY 2015 budget request also fully funds Contract Support Costs (CSC) in accordance with the U.S. Supreme Court decision in *Salazar v. Ramah Navajo Chapter*. The request includes a \$30 million increase in order to fund the increases requested for the IHS in FY 2015. This represents a historic shift in a decades-long battle. As you recall, in FY 2014, the Administration proposed capping CSC for individual contracts, which Indian Country unanimously pointed out was a violation of both the federal trust responsibility and the principles of *Ramah* decision. Congress rejected this proposal in FY 2014 and provided a pathway for the Administration to fund CSC in FY 2014. NIHB would like to again, thank this committee for the work it did to not only elevate the issue, but also to change the position of the Administration.

However, as noted above, this CSC funding obligation should not have been achieved at the expense of other Tribal programs. It is unfair to force Tribes to choose between increased services and funding of costs already owed to us to operate our programs. Funding CSC at the expense of other direct services is a continuation of the injustice, and is simply "robbing Peter to pay Paul." The increases provided in the FY 2014 budget to fund CSC only restored obligations to the Federal Government has already made to Tribes, and did not provide a true increase to the overall budget in terms of real health dollars.

NIHB is encouraged by statements that the Administration recently made that it wants to continue to find a long-term solution for funding CSC. We urge Congress and the Administration to work together with Tribes in order to ensure that funding for CSC can be maintained without making sacrifices to other areas of the budget.

#### **Purchased/Referred Care**

Over the last several years both Congress and the Administration have heard the call of Tribes to increase funding for Purchased/Referred Care (PRC) (formerly called Contract Health Services). Purchased/Referred Care dollars fund for IHS patients health care services that cannot be directly provided by an IHS or Tribal health facility. These dollars have historically been so scarce that many health programs run out of funding by June 1 of the fiscal year. This dearth of funding creates an emergency "life or limb" scenario (Priority I) where an amputation will be paid for when the preventative care that could prevent the amputation will not—or where painkillers will be paid for when orthopedic surgery is needed. This has to stop. Tribes are grateful that since FY 2009 PRC has increased by \$244.1 million, or 38 percent. Before sequestration, some clinics were actually able to start treating

cases that were nonlife threatening (Priority II). In FY 2015, the President's request includes an \$18 million increase for PRC. However, funding is so short for this program that Tribes have requested *\$1.1 billion* for PRC in FY 2015, which is \$22 million above the FY 2014 enacted level and \$17 million above the FY 2015 request. At current levels (and especially after sequestration), the IHS budget typically only covers Priority I or "Life or Limb" referrals. Through lack of funding and deprioritizing preventative opportunities, this cycle creates increased costs for needed health care by increasing costs to the Purchased/Referred Care programs specifically, and to the IHS health delivery system overall.

#### **Medicare Like Rates for PRC**

In addition to providing additional funding for PRC, one common-sense solution to enable these funds to go further is for Congress to enact legislation that would require that PRC reimbursements to nonhospital providers are made at "Medicare Like Rates." In 2003, Congress amended the Medicare law to authorize the Secretary of Health and Human Services to establish a rate cap on the amount hospitals may charge IHS and Tribal health programs for care purchased from hospitals under the PRC program. However, hospital services represent only a fraction of the services provided through the PRC system. The IHS PRC program may be the only Federal Government entity that does so; neither the Veterans' Administration nor the Department of Defense pay full billed charges for health care from outside providers.

On April 11, 2013, the Government Accountability Office (GAO) issued a report that concluded "Congress should consider imposing a cap on payments for physician and other nonhospital services made through IHS's CHS program that is consistent with the rate paid by other federal agencies." We agree: these savings would result in IHS being able to provide approximately 253,000 additional physician services annually. This number will even be greater when you consider Tribally-run programs, which means that total savings are more likely to be around \$100 million annually. NIHB and Tribes encourage Congress to swiftly enact the legislative change to make PRC subject to Medicare Like Rates.

#### **Hospitals and Clinics**

In FY 2015, Tribes request *\$2.1 billion* for Hospitals and Clinics (H&C) in order to better provide health services for 2.1 million AI/ANs. This represents an increase of \$297 million, or 16 percent over the FY 2014 enacted level. H&C includes medical and surgical inpatient care, routine and emergency ambulatory care, and other medical support services. H&C funds also support community health initiatives targeting health conditions disproportionately affecting AI/ANs, such as specialized programs for diabetes, maternal and child health, women's health, and elder health.

The services provided by H&C are constantly being challenged by many factors including inflation, population growth and an increased rates of chronic diseases. Additionally, IHS/Tribal/Urban-managed facilities often have great difficulty in recruiting and retaining medical staff meaning due to remote locations and funding difficulties. If the health status of AI/ANs is ever going to improve, Congress must prioritize this core program now.

#### **Mental Health**

For FY 2015, NIHB recommends *\$130 million* for mental health services. This represents a \$52.7 million increase over the FY 2014 enacted level. As noted above, American Indians and Alaska Natives suffer from a high incidence of mental health disorder, illnesses and suicide rates; in fact, suicide is the second leading cause of death for AI/AN children and youth. Failure to treat mental health conditions and providing appropriate and timely interventions and care, effectively results in community-wide public health risks both on and off reservations for AI/ANs. For example, the Navajo Area suicide rate that is four times greater than the US all races rate for youth aged 5–14. In 2010, in one town with a population of only 8,000, there were 15 suicides. Sadly, many communities throughout Indian Country also experience this tragic story. The trauma and emotional injury stemming from a suicide in Tribal communities impacts elders, mothers and fathers, sons and daughters, friends and destabilizes the cultural and community fabric of our Nations. Our young people in Indian Country often experience a life filled with a variety of social problems such as substance abuse and poverty, and envision a future without promise or hope for a better life. For the sake of the next Seven Generations, we must all work together to find a serious, comprehensive solution to end this disturbing epidemic.

Treating these issues among AI/ANs must utilize a comprehensive approach that targets early intervention and engages all aspects of life. Services that IHS currently provides, when resources are available, include comprehensive outpatient



mental health treatment, crisis response services, prevention programming, collaborative treatment planning with alcohol and substance abuse treatment providers, group therapies, and traditional healing methodologies, in addition to other evidence-based approaches to mental health treatment. Overall, these solutions are more reactive than they are proactive. Services generally not available at IHS or Tribally-operated facilities, but instead must be procured through third party contracts, include inpatient and residential treatment services, group homes, and independent living centers.

One of the most critical problems Tribal communities face is the recruitment and retention of qualified fulltime psychiatrists and psychiatric nurse practitioners. This is one of the many reasons NIHB supports a legislative fix that would enable IHS Student Loan Repayment Program and Health Professions Scholarship Program to have tax exempt status. It would enable IHS to fund an addition 105 new repayment awards to combat the 1,550 vacancies for health care professionals in the IHS system. In the House of Representatives (H.R. 3391), bipartisan legislation has been introduced to address this concern. We urge the members of this committee to introduce a Senate companion bill to H.R. 3391 and swiftly pass it out of committee.

NIHB also urges this committee to seriously investigate the contributing factors to mental health and work with Tribes, federal agencies and other stakeholders to find a real solution to this difficult problem.

#### **Alcohol and Substance Abuse**

Closely linked with mental health issues are chronic problems stemming not only from historical trauma, but from emotional injuries related to domestic violence as well as alcohol and substance abuse in Tribal communities. As mentioned above, AI/ANs are consistently overrepresented in statistics relating to alcohol and substance abuse disorders, leading to widespread health issues for individuals, families and even entire communities.

For FY 2015, we recommend \$236 million for Alcohol and Substance Abuse, or \$50 million above the FY 2014 enacted level and \$43 million above the FY 2015 President's request. IHS programs and Tribally operated alcohol and substance abuse programs employ a variety of treatment modalities consistent with evidenced-based approaches to address substance abuse disorders and addictions through individual and group counseling, peer support, and inpatient and residential placement. However, it is essential that treatment approaches also include traditional healing techniques designed to improve outcomes and to tie services provided back to valuable cultural practices and the individual AI/AN's spiritual journey.

IHS funding supports the operation of adult and youth residential facilities and placement contracts with third party agencies, but limited funding often results in placement decisions based on the availability of alternate resources and the providers' clinical recommendations. IHS-funded alcohol and substance abuse programs continue to focus on integrating primary care, mental health and substance abuse services, and the exploration and development of partnerships and alliances with other community stakeholders.

Again, treatment for alcohol and substance abuse must be approached from a community-wide perspective and integrate not only health programs, but also Tribal justice, and education initiatives. Communities in Indian Country experience these tragic issues due to a large and complex list of contributing factors, so approaches to solve these problems must also address all aspects of society.

#### **Fund IHCIA New Authorities**

The adoption of the Patient Protection and Affordable Care Act (ACA) (P.L. 110-148) in 2010 was historic for Tribes in many ways. Most importantly, it renewed the Indian Health Care Improvement Act (IHCIA). The effort to renew IHCIA took 10 years and represents a true victory for Indian health. The Act updates and modernizes health delivery services, such as cancer screenings, home and community based services and long-term care for the elderly and disabled. It also establishes a continuum of care through integrated behavioral health programs (both prevention and treatment) to address alcohol/substance abuse problems and the social service and mental health needs of Indian people.

However, many of these provisions remain unfunded, which again, represents another failure to follow through on promises to our people. All provisions of the IHCIA are critical to advancing the health care of American Indian and Alaska Native people and should be implemented immediately. Adequate funding for the implementation of these long awaited provisions is needed now. Tribes recommend funding of \$300 million in order to fully implement IHCIA in FY 2015.

### **Definition of Indian in the Affordable Act**

As NIHB testified previously, we urge Congress to enact a legislative “fix” for the Definition of Indian in the Affordable Care Act. The “Definitions of Indian” in the ACA are not consistent with the definitions already used by the Indian Health Service (IHS), Medicaid and the Children’s Health Insurance Plan (CHIP) for services provided to American Indians and Alaska Natives. The ACA definitions, which currently require that a person is a member of a federally recognized Tribe or an Alaska Native Claims Settlement Act (ANCSA) corporation, are narrower than those used by IHS, Medicaid and CHIP, thereby excluding a sizeable population of AI/ANs that the ACA was intended to benefit and protect. Unless the definition of Indian in the ACA is changed, many AI/ANs will not be eligible for the special protections and benefits intended for them in the law.

NIHB requests that the committee use all methods at its disposal to resolve this issue. On October 16, 2013, Senator Mark Begich (D-AK) introduced S. 1575 which would address this issue. NIHB encourages the committee to swiftly consider and favorably report S. 1575 to ensure that all AI/ANs are eligible for the benefits intended for them in the ACA.

### **Other Policy Recommendations**

The Administration’s FY 2015 Budget Request Contains three legislative policy provisions: (1) Provide Tax Exempt Status for the Indian Health Service Health Professions Scholarship Program and the Health Professions Loan Repayment Program; (2) Renew the Special Diabetes Program for Indians at \$150 million for three years. NIHB supports these legislative priorities, in addition to Advance Appropriations for the Indian Health Service.

### **Renewal of the Special Diabetes Program for Indians**

As part of the Balanced Budget Act of 1997, Congress established the Special Diabetes Program for Indians (SDPI) to address the growing epidemic of Type II diabetes in American Indian and Alaska Native (AI/AN) communities. The Special Diabetes Program for Type 1 Diabetes (SDP) was established at the same time to address the serious limitations in Type 1 diabetes research resources. Together, these programs have become the nation’s most strategic, successful and comprehensive effort to combat diabetes. SDPI is transforming lives and changing the diabetes landscape in America.

According to the Centers for Disease Control and Prevention (CDC), AI/AN adults have the highest ageadjusted prevalence rate of diagnosed diabetes compared to other major racial and ethnic groups at 16.1 percent. By comparison, this is almost twice the rate for the total U.S. adult population. Some regions of Indian Country have diabetes rates as high as 33.5 percent, with specific communities having Type II diabetes reach a level as high as 60 percent.

Today, SDPI is funded at a level of \$150 million per year and supports 404 diabetes treatment and prevention programs in 35 states. With funding for this critical program set to expire on September 30, 2014, Tribes are requesting a renewal of this program of *\$200 million/year for 5 years*. While we understand an increase in funds during this budgetary environment is difficult, SDPI has been level-funded since 2002. This represents an effective decrease. Calculating for inflation, \$150 million in 2002 would be about \$115 million in 2014—or 23 percent less. In order to keep the momentum of this important program alive, it is critical that Congress continue to invest in SDPI, which will save millions in preventative care over the long term. When taking into account additional Tribes that have gained federal recognition since 2002, the dollars are even scarcer.

NIHB wishes to express its gratitude for the work that members of this committee have done so far to support renewal of SDPI. With the deadline of September 30th in mind, I urge you to support a multi-year reauthorization of the SDPI by March 31st of this year. We have a critical opportunity to see the program renewed by March 31, when Congress must renew the Medicare Extender legislation—and that legislative vehicle is typically the legislative vehicle for SDPI renewals. Without an immediate, long-term reauthorization, critical infrastructure that the Tribes have built to address the Diabetes epidemic in Indian Country has greatly contributed to the success of SDPI. A delay in renewal will mean loss of SDPI staff—loss of jobs—that will severely impact tribal health: both in terms of patient health and community economic health. Also, because SDPI is a grant program, the Indian Health Service requires four months to advertise and complete the grant process—so please actively shepherd through the reauthorization of SDPI by March 31, 2014.

### Support for Advance Appropriations

In addition to the policy recommendations outlined by the Administration, NIHB would like to reiterate its support for Advance Appropriations for the Indian Health Service. On October 10, 2013, Senator Lisa Murkowski (R-AK) introduced legislation, S. 1570, to provide advance appropriations for the IHS. While this measure will not solve the complex budget issues at IHS, it will be an important first-step in ensuring that AI/ANs receive the health care they deserve. Advance appropriations would allow Indian health programs to effectively and efficiently manage budgets, coordinate care, and improve health quality outcomes for AI/ANs. The need for advance appropriations was no more obvious during the Federal Government shutdown at the start FY 2014. Many Tribal health programs were forced to furlough employees, close their clinics and deny services during this period.

This change in the appropriations schedule will help the Federal Government meet its trust obligation to Tribal governments and bring parity to the federal health care system. Adopting advance appropriations for IHS would result in the ability for health administrators to continue treating patients without wondering if—or when—they would have the necessary funding. Additionally, IHS administrators would not waste valuable resources, time and energy re-allocating their budget each time Congress passed a continuing resolution.

At the Department of Health and Human Services Budget FY 2016 Tribal Budget Consultation on March 7, 2014, agency officials noted that they are seriously considering this issue with the Office of Management and Budget. They are also engaged in conversations with the Veterans' Administration to learn how they implemented advance appropriations when they received this status in 2010. NIHB is highly encouraged by these statements and urges this Committee to quickly consider S. 1570 and report the bill favorably to ensure that Tribes can move forward to a more stable funding mechanism.

### Conclusion

On behalf of the National Indian Health Board and the 566 federally recognized Tribes we serve, thank you to the Committee for holding this important hearing on the FY 2015 budget. While we have made important gains in the IHS funding budget over the last several years, the scourge of sequestration has eliminated much of that progress. Tribal communities still continue to suffer greatly from chronic public health risks exacerbated by grossly underfunded health services in Indian Country.

For FY 2015, Tribes are requesting:

- 1) Begin implementation of a plan to achieve a Needs Based Budget for IHS at 28.7 billion.
- 2) Fund IHS at *\$5.3 billion* for FY 2015.
- 3) Restore Cuts/Shortfalls in FY2013–15 resulting from sequestration, inadequate increases to cover Congressionally mandated budget categories, and no provision for inflation for Continuing Services & Binding Obligations and advocate that Tribes and Tribal programs be permanently exempted from any future sequestration.
- 4) Provide an additional \$300 million to implement the provisions authorized in the Indian Health Care Improvement Act (IHCIA).

State and local governments have the power to tax in order to fund government services. Tribes do not have that option. In many remote Tribal communities, economic development is also unfeasible. Tribal governments depend more heavily on Federal Government sources, thereby making the need to fund Tribal programs at a sustainable level even greater. It is a matter of justice and equity—failure to prioritize an IHS budget that makes a meaningful investment in the health of AI/ANs is a violation of the federal trust responsibility and denial of the sacrifices that our people have made to this country.

Thank you for the opportunity to offer this testimony.

The CHAIRMAN. Thank you, Mr. Joseph. I appreciate your testimony.

I appreciate both your testimonies and both of you taking time from your busy schedules to be here today to advocate for causes I know you both feel are very, very important. I feel the same.

I will start with you, Mr. Payment. With the President's fiscal year 2015 budget request for \$2.6 million for Indian Affairs at the Department of Interior, my understanding from your testimony is

that the NCAI full budget request is, at almost every line item in the Indian Affairs budget, underfunded.

NCAI testimony mentions an across the board \$139 million increase, knowing that there are unmet needs for basically all the Indian Affairs programs. Is an across the board increase the best place to start or would it be better to start with specific programs and if so, could you prioritize a few of those?

Mr. PAYMENT. I would say we have a critical need with law enforcement right now. We do have a detention center and it actually covers its own costs. We are able to use the revenue from the detention center but have been doing that for the last couple of years, so that fund is almost gone.

We have used that to make up for the Federal Government not adequately funding our law enforcement and conservation. In about a year that fund will be depleted and it then will compete with our other self governance funds.

We have a very rural area like a lot of tribes, so our law enforcement is minimally covered right now. We just signed a couple years ago the permanent settlement of our treaty rights, so the conservation portion of that is going to increase. I am not sure how we are going to cover that, so law enforcement would be one.

Education is critical. I am working on my doctorate in education. We have a 50 percent dropout rate. The solution is not only in the BIE. Ninety percent of our kids don't go to school in Indian schools. We do have a tribal school in my community and we just got the highest MEAP scores in the region, higher than the local schools. When we do it, we do it right.

We can't abandon those who attend public schools because there needs to be a focused attention there. How does impact aid benefit communities? A friend of mine is a superintendent of a school that serves about 50 percent Native American children. They are underfunded.

With the cuts that happened last year, the funding to impact aid happened in the middle of the school year so they didn't have time to adjust. When cuts happen to public schools, to impact aid, it impacts the highest need people because that is the first thing cut. Our people happen to be the highest need people. The connection with impact aid is there.

Social welfare, we need a new commitment in social welfare, especially with mixed messages coming from the Supreme Court in Indian child welfare. We need much, much more resources in Indian child welfare. Juvenile placements in detention, we need direct funding for that.

The last one I will say is suicides. We have a very high rate of suicide in our community. We need direct funding from SAMHSA to tribes. We need to skip the State compacting process and come directly to the tribes because I think we know best how to serve our people and meet those needs.

The CHAIRMAN. A very good point.

I am going to cut to another area that has to do with consultation. When I go around the State and around the country as far as that goes, there is an understanding that Indian Affairs does a reasonable job in consultation. Other departments, not so much.

I don't want to be critical of them because, quite frankly, they don't deal with Native American issues all the time and consultation is a different way of doing business than they are used to.

I want your input or NCAI's input. We will start with the two biggies, the Department of Interior and the Office of Management and Budget. Do they give sufficient opportunity to talk about the resources for programs?

Mr. PAYMENT. I would say that the Obama Administration especially consultation has been a priority for many Federal agencies. What is consultation? It is not completely and universally understood how it should actually happen. There are some templates that suggest how it should happen.

I would say there is definitely a need to educate OMB to carry forward the trust obligation and to understand and appreciate it better. I think something is lost in the translation when it gets to OMB. I think more work is needed there.

NCAI has requested that a Native American desk be established in the OMB so they better understand so the translation from the President's office and from Congress' commitment make its way to the OMB.

I think the problem is systemic and it is much bigger. I think with creation of the White House Counsel and in fact, this week the Midwest Alliance of Sovereign Tribes passed a resolution which I drafted calling for some infrastructure that will go along with the commitment and asking the White House Counsel to put in place some consultation and maybe an advisory council of tribal leaders across the country to advise the White House Counsel.

I think the silo problem of the different departments and OMB being kind of over here leads to lack of communication. The problems that happened with IHS not being exempted from sequestration is a perfect example of that.

The CHAIRMAN. I would just say this. I don't like to point fingers without a few pointing back to us but Congress hasn't been particularly helpful on a lot of these issues too. I would just say to both of you if there are things we can do to help with consultation, getting input to people who need to have input, please let us know so we can try to help facilitate.

You make good decisions based on good information. Let's just put it that way. If you don't have good information, you aren't going to make good decisions.

I want to go to you for a second, Mr. Joseph, on IHS staffing. The Northwest Portland Area Indian Health Board has often had concerns about staffing levels in the region's Indian Health Service facilities. I am aware this is not just a problem in that region. Have you seen any change in staffing of facilities in Indian Country? Has it been static? Has it gotten better or has it gotten worse?

Mr. JOSEPH. Right now, my tribe has declared a state of emergency for staffing. It is an IHS Federal service unit. The Portland Board and the California Rural Indian Health Board have a joint resolution on staffing needs. A lot of our tribes have built their own facilities, we couldn't wait for the government. We are kind of like the Wind River Tribe that was talked about earlier.

We built our clinics. Two of the four were written into the master plan by IHS. We still have the staffing from I'd say the 1950's or

maybe before then. The Affordable Health Care Act is an excellent bill, I helped write it, but tribes like mine that have poor staffing or low staffing are not able to take advantage of all of the good language written in that bill.

I believe every tribe needs to look at facilities and staffing across the country. I am really grateful for the ones that get it because they get the full deal, they get the facilities, staffing and then they get to take advantage. Some tribes have been waiting as long. If we could have staffing, it would be helpful.

I took my son to the dentist, he had an emergency a couple of weeks ago, and there is only one dentist. We have one we brought back from retirement and he comes in part-time. I was waiting for my son and an elder came in and asked if he could get an appointment. He was told, give me your name and number and we will call you maybe in two or three months. There is about a six month waiting time for an actual appointment. Staffing is a big need.

The reason why Portland is opposed to staffing is because they that increase right off the top of the budget and it affects the overall medical part of health that IHS has to provide. Based on last year's 2013 budget when we did get sequestered, there was \$53 million that went into staff two new facilities and that was taken right off the top of the increase. The real medical increase wasn't as high as the Senate thought it would be.

Like I said, I am grateful there are tribes who got it but the rest of us kind of suffered from it.

The CHAIRMAN. In your opinion, is the problem with staffing budgetary or is it lack of availability of professionals for IHS?

Mr. JOSEPH. It kind of hits on the question you asked Aaron about OMB. We have been submitting our budget and asking for what we really need for quite a few years now. The real need for the IHS budget is \$28.1 billion. We are stuck at the \$4 billion level.

When I first started working on the budget 11 years ago, I was wishing they would just round off the number to \$3 billion. We were really struggling then. Our population and the cost of providing medical health has gone way up.

The CHAIRMAN. For sure.

You both talked about advance funding. I would just say the Veterans Administration already has advance funding. You probably know that. You Native Americans serve at a higher rate than other minority in this country. We have some questions that we are going to talk to Dr. Roubideaux about.

I want to tell you guys since you are part of organizations that one of the ways the Veterans Administration got advance funding was because all the groups out there wanted it. I think it would be an incredible plus for Indian Country if we got advance funding. I think it is possible to get done. In fact, I have a bill to do that, a piece of legislation to do exactly that.

I think it is going to take some real force from Indian Country to get it done, to get in there and talk about how important it is and how it can help in a very big way. I think if everyone gets on the same sheet and is very focused, it can happen. Anything short of that is going to be very difficult.

I would thank you very much for your testimony. We have a few more but this hearing has gone two hours which is a little longer than I anticipated but there were some good questions here today.

I want to thank all witnesses for their testimony, the two of you included. It is great to hear the information not only from the Administration but the folks out on the ground. Once again, this testimony shows the agencies and the tribes are resourceful but you can't get blood out of a turnip. We need to make sure we do what we can do here and through the Appropriations Committee to try to plus up this budget. It needs to be.

I know there is always a lot of interest in this testimony. I think the fact we had the folks here even though I can tell you right now I missed three meetings while this hearing was going on so everyone else is in that same boat, no disrespect.

This hearing record will remain open for two weeks for any additional comments that anyone may add to it.

Once again, gentlemen, thank you for your testimony.

This hearing is adjourned.

[Whereupon, at 5:45 p.m., the Committee was adjourned.]





## A P P E N D I X

### PREPARED STATEMENT OF ALBERT A. YAZZIE, PRESIDENT, CRYSTAL BOARDING SCHOOL BOARD OF EDUCATION

The Crystal Boarding School Board (NM) hereby submits testimony to the Senate Subcommittee on Interior Appropriations regarding the FY 2015 budget of the Bureau of Indian Education.

#### Restore School Funding Levels

The Crystal Boarding School Board (NM) requests that the funding for the Indian School Equalization Program (ISEP) and Education Facilities Maintenance be restored to at least the FY 2012 levels. The FY 2014 Indian Affairs operating plan restored some, but not all, of the funds for school operations that were cut in the FY 2013 sequester.

The FY 2014 funding level for the Indian School Equalization Program (ISEP) formula funds is \$384,404,000 and is \$6,303,000 (-1.6%) less than the FY 2012 enacted level of \$390,707,000. Indian Affairs requested \$386,563,000 for ISEP formula funds, a level that is \$4,142,000 (-1.1%) below the FY 2012 level.

The FY 2014 funding level for Education Facilities Operations is \$55,668,000 and is \$2,897,000 (-4.9%) below the FY 2012 enacted level of \$58,565,000. We request that the Congress approve the request of \$55,865,000 for Facilities Operations.

The FY 2014 funding level for Education Facilities Maintenance is \$48,396,000 and is \$2,269,000 (-4.5%) below the FY 2012 enacted level of \$50,665,000. Indian Affairs requested only \$48,591,000 for Education Facilities Maintenance, \$2,074,000 (-4.1%) below the FY 2012 level.

#### Tribal Grant Support Cost

The Crystal Boarding School Board (NM) requests full funding for Tribal Grant Support Costs for FY 2015 at \$75.0 million. The requested funding level of \$48.2 million meets only 67 percent of the need, leaving a shortfall of \$26.8 million (33%).

Tribal Grant Support Costs fund administrative overhead costs for schools including business operations, payroll, personnel, annual audits, information technology, and reporting. The shortfall in TGSC forces the schools to use Indian School Equalization Program (ISEP) Formula Funds to pay for administrative costs, which reduces the amount of funds available for classroom instruction.

The Congress supports full funding for Contract Support Costs for tribal self-determination contracts and self-governance compacts. Tribal Grant Support Costs are to the school what CSC funds are to the tribes.

Indian Affairs should decide on one name of the account. Indian Affairs uses the term "Tribal Grants Support Costs" in the budget justifications but the Congress uses the term "administrative cost grants" in the Interior Appropriations Act.

#### Teacher Pay Cost

The Crystal Boarding School Board (NM) requests full funding for the teacher pay cost increase contained in the Indian School Equalization Program (ISEP) Formula Funds. The funds are needed to recruit and retain quality teachers to work in BIE-funded schools that are often located in rural and isolated communities.

The FY 2014 operating plan funds only a portion of the full need for teacher pay increases. The full funding need for FY 2014 is \$2,161,000. The FY 2014 operating plan provided only \$169,000. That amount was only 7.8% of the amount needed.

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PREPARED STATEMENT OF HON. BRIAN PATTERSON, PRESIDENT, UNITED SOUTH AND EASTERN TRIBES, INC.

#### **Introduction.**

Chairman Tester, Vice Chairman Barrasso and members of the Committee, my name is Brian Patterson. I serve as president of the United South and Eastern Tribes, Inc. (USET), as well as on the Men's Council of the Oneida Nation of New York. Thank you for this opportunity to provide written testimony regarding the budget priorities of USET.

USET is an inter-tribal organization representing 26 federally recognized Tribes from Texas across to Florida and up to Maine. The USET Tribes are within the Eastern Region of the Bureau of Indian Affairs (BIA), covering a large expanse of land compared to other BIA Regions. Due to this large geographic area, the Tribes in the Eastern Region have great diversity. From an economic standpoint, some of our Tribes have highly developed economies, while others remain mired in poverty. All of our Tribes, however, look to the United States to live up to its trust responsibility, to support Tribal sovereignty, and to work with us on a government-to-government basis, especially on a matter as central to the trust responsibility as Federal budget policy.

#### **The Role of this Committee—Defending American Values, such as the Trust Responsibility**

The role of this Committee, or that of any of the Congressional committee, is ultimately not about dividing up money and power, but rather determining, deciding and defending American values. For example, under budget sequestration the Veterans Administration's hospital system was exempt. That demonstrates a great American value—fulfilling the commitment to honor our obligations to those who put their lives on the line to defend American freedom. However, it is not an American value that the Indian Health Service was not exempted, putting the life, health and well-being of generations of Native peoples at risk in a system that already strains to deliver basic healthcare. This Committee can and should demand that the IHS be funded in a manner consistent with an important American value—our Nation's commitment to its First Peoples.

Similarly, the sequestration exempted many low-income programs (*e.g.*, Child Care Entitlement to States; Child Health Insurance Fund; Family Support Programs and Temporary Assistance for Needy Families) demonstrating the great American value that we will leave nobody behind when it comes to basic needs. And yet, the sequestration applied fully to virtually all Federal Indian programs, even though many Native communities suffer the worst social and economic statistics in the country, largely due to Federal action and policies in place over the last two hundred years. The application of sequestration to Native programs was not an American value. Federal budget problems should not be addressed on the back of Native peoples. USET respectfully asks that this Committee support funding increases for Federal Indian programs that consistently exceed the relevant rate of inflation in order to achieve real progress in closing the services gap for Natives. As described below, Federal Indian program should not be deemed discretionary, but rather mandatory.

### **The Constitution, Indian Tribes, Treaties and the Laws of the United States**

From the earliest days of the United States, the Founders recognized the importance of America's relationship with Native nations and Native peoples. They wove important references to those relationships into the Constitution (*e.g.*, Art. I, Section 8, Cl. 3 (Indian Commerce Clause); Article II, Section 2, Cl. 2 (Treaty Clause)).

Natives influenced the Founders in the development of the Constitution as recognized by the 100th Congress, when the Senate and the House passed a concurrent resolution acknowledging the "historical debt" the United States owes to Indian tribes.

[O]n the occasion of the 200th Anniversary of the signing of the United States Constitution, acknowledges the historical debt which this Republic of the United States of America owes to the Iroquois Confederacy and other Indian Nations for their demonstration of enlightened, democratic principles of government and their example of a free association of independent Indian nations; . . .

S. Con. Res. 76, 100th Congress. One has only to walk the halls of the Capitol to see many works of art and sculpture that depict the central role that Native nations have played in the development of America's national identity. Not depicted on the walls of the Capitol are the many injustices that Native peoples have suffered as a result of Federal policy, including Federal actions that sought to erode Native territories, learning, and cultures. Out of those injustices, and from other legal sources, there has arisen a Federal trust obligation to support Native governments and Native peoples.

The Indian provisions in the Constitution were given immediate life in treaties that the United States entered into with Indian nations beginning with the Treaty with the Delaware in 1778 and continuing through another 373 treaties. Additionally, in the first decades of the United States, numerous laws were enacted addressing the details of the Federal-Tribal relationship (*e.g.*, Trade and Intercourse Acts of 1790, 1793, 1796, 1799, 1802, and 1834), even as the Federal courts defined the Federal Government's trust obligation to Indian nations (*e.g.*, *Cherokee Nation v. Georgia* (1831)). Notwithstanding this Constitutional foundation, the Federal Government engaged in many actions that betrayed the treaties and trust obligation to Indian nations, such as the seizure of Indian lands and the forced assimilation efforts of the Indian boarding school system. Fortunately, American greatness has led to more enlightened policies since the boarding school era, reflected in a host of laws that support tribal sovereignty and are critical to the vitality and well-being of tribal communities. Regrettably, these laws are rarely funded to the level necessary to achieve their intended purposes.

Because of this history, the Trust obligation of the Federal Government to Native peoples, as reflected in the Federal budget, is fundamentally different from ordinary discretionary spending and should be considered mandatory in nature. As a 1977 U.S. Congress/American Indian Policy Review Commission Report stated:

The purpose behind the trust is and always has been to ensure the survival and welfare of Indian tribes and people. This includes an obligation to provide those services required to protect and enhance Indian lands, resources, and selfgovernment, and also includes those economic and social programs that are necessary to raise the standard of living and social well-being of the Indian people to a level comparable to the non-Indian society.

### **The World has its Eyes upon the United States and its Leadership—the United Nations Declaration on the Rights of Indigenous Peoples**

As a sovereign nation, the United States exercises jurisdiction within its boundaries. However, the United States is also part of a community of nations that has come together through the United Nations to develop common principles for the benefit of all mankind. These principles are used to place a light on those in the international community who do not live up to international human rights standards.

With regard to Indigenous peoples, the United Nations has adopted the Declaration on the Rights of Indigenous Peoples (UNDRIP). With regard to the improvement of the economic and social conditions of Indigenous peoples, Article 21(2) provides: “States shall take effective measures, and, where appropriate, special measures to ensure continuing improvement of their economic and social conditions.” Further, Article 38 provides that: “States, in consultation and cooperation with indigenous peoples, shall take the appropriate measures, including legislative measures, to achieve the ends of this Declaration.” Those ends include advances in well-being of Indigenous peoples in the social, economic, cultural, political, environmental, and other areas. One of the primary mechanisms or “effective measure” that States routinely use to address such problems is funding to achieve UNDRIP’s standards, which Article 43 summarizes as: “. . . the minimum standards for the survival, dignity and well-being of the indigenous peoples of the world.” Federal Indian program funding should also be measured against international standards.

### **The Spectre of Sequestration Remains**

The budget sequestration of FY 2013 was devastating to Federal Indian programs and to the tribal communities they serve. While Congress has provided an alternative budget structure for FY 2014 and FY 2015, sequestration could be re-imposed in FY 2016. Although this may seem early to raise this concern, USET urges the Committee to educate other members of the Senate that the application of sequestration to Indian programs violates the trust responsibility, does not make economic sense, and should not be countenanced going forward. For example, when some Federal health programs were rightfully exempted from sequestration, it was morally wrong that the Indian Health Service was not. That should not happen again.

### **Contract Support Costs—Robbing Peter to Pay Paul**

Congress provided that the Indian Health Service and the Bureau of Indian Affairs must pay the full amount of contract support costs in FY 2014, as they are contractually obligated to do anyway! However, Congress, while fully funding CSC in FY14, did so principally through restoration of pre-sequestration funding. This meant that fully funding CSC was at the expense of other Federal Indian programs.

Full funding for CSC must not come with a penalty—namely, a reduction in program funding or effective permanent sequestration of Indian program funds. That result would have the same devastating effect on our service delivery as the failure to fully fund CSC. Yet Congress, in the Joint Explanatory Statement accompanying the FY 2014 Consolidated Appropriations Act, noted that “since [CSC] fall under discretionary spending, they have the potential to impact all other programs funded under the Interior and Environment Appropriations bill, including other equally important tribal programs.” Moreover, without any permanent measure to ensure full funding, payment of CSC remains subject to agency “discretion” from year to year, even though tribes are legally entitled to payment under the ISDEAA. Noting these ongoing conflicts of law, Congress directed the agencies to consult with tribes on a permanent solution.

In our view, there is a logical permanent solution which Congress is empowered to implement: CSC should be appropriated as a mandatory entitlement. The full payment of CSC is not discretionary; it is a legal obligation, affirmed twice by the U.S. Supreme Court. Yet the budget authority for CSC is currently provided and controlled through appropriation acts—as if it were a discretionary program. The solution then is to bring the appropriations process in line with the statutory requirements and to recognize CSC for what it is: a mandatory entitlement, not a discretionary program. We therefore strongly urge the Congress to move to appropriate funding for CSC on a mandatory basis.

Additionally, the settlement of past CSC claims continues to move at an unacceptable slow pace. The settlement of past CSC claims must be prioritized and resolved expeditiously.

### **Fundamental Philosophical Flaw in the Tribal Interior Budget Council (TBIC) Format**

The Tribal/Interior Budget Council (TIBC) was established to allow Tribes and Tribal organizations to work with Interior officials in the formulation of the Indian Affairs and Office of the Special Trustee (OST) annual budget requests and performance plans in the spirit of the President's Government-to-Government consultation and collaboration policy.

However, TBIC is structured in a fashion that results in a warping of Tribal views. Federal representatives to TBIC urge Tribal leaders to prioritize areas of need, a virtually impossible task for many Tribal communities where deficiencies are found in all areas of development and social need. Although this is pointed out, Federal officials respond that in the absence of Tribal guidance the officials themselves will set the priorities. At that point Tribal leaders, reluctantly, attempt to prioritize the needs of their communities.

While we understand that the budget planning process pushes Federal officials to in turn push Tribal officials to establish a limited number of priorities, setting such priorities should not be used against important Tribal interests. For example, when a Tribal leader brings up a "non-prioritized" need, Federal officials should not use as an excuse for not supporting that need that Tribal leaders did not prioritize it. One example of this is education funding. Education funding did not make it on a recent "priority" list. When Federal officials were questioned by Congress about education funding, they said it was not a Tribal priority. That is a misuse of this process. Essentially, the TBIC process is being used in a way that allows Federal officials to affirmatively argue against a particular need even though that was never the Tribal intent. The Committee should provide corrective guidance to Interior on this point.

The bottom line: while the Federal-Tribal Nation relationship is understood to be "special" and "unique", the budget process currently utilized does not allow for the United States to fulfill its fiduciary trust responsibilities and obligations. The process needs to move away from a "needs based" understanding to a "fulfilling obligations" understanding. A significant part of the challenge is in the reality that OMB approaches this budgeting process no different than any other area; resulting in an expressed disrespect for the uniqueness of the sacred federal fiduciary responsibilities and obligations.

### **Advancing the Appropriations Process by Providing for Advance Appropriations**

Advance appropriations are enacted a year before the funds become available, thus allowing the federal agency knowledge of its funding level a year in advance. The advance appropriations process does not put additional pressure on the appropriations subcommittees' allocations. For instance, if FY 2015 IHS advance appropriations were included in the FY 2014 Interior, Environment, and Related Agencies Appropriations Act, those advance appropriations would not be counted against the FY 2014 Interior Appropriations Subcommittee allocation but rather would be counted against its FY 2015 allocation. For the first year of advance appropriations Congress would enact two years of IHS funds, and thereafter revert to appropriations one year at a time.

Veterans organizations advocated for years for Congress to provide the Veterans Administration (VA) with advance appropriations, noting that chronically late funding negatively affected their ability to properly plan and manage its resources, including recruitment and retention of medical personnel. In 2009 Congress responded by authorizing advance appropriations for the VA medical accounts. Like the VA, the IHS and tribal organizations provide direct, federally-funded health care services to a specific population.

Just like the VA, the IHS has been very adversely affected by recurrent delays in the passage of appropriations bills and by Federal Government shutdowns. Advance appropriations would dramatically reduce, if not eliminate, this problem.

For example, if IHS was receiving funding on an advance appropriations schedule, its FY 2014 appropriations would have been enacted as part of a FY 2013 appropriations act and the IHS and tribal health care providers would not have entered FY 2014 with no knowledge of what amount of funding to expect. Instead, the IHS had to furlough some employees and had others working on an unpaid status. Tribal health care providers were similarly affected.

Enactment of legislation authorizing advance appropriations is the first step in actually realizing such funding. The Budget Resolution, while not having the effect of law, lists particular programs which may have advance appropriations. In order for IHS advance appropriations to not be subject to a point of order, the IHS Serv-

ices and the IHS Facilities accounts should be included on that list in the Budget Resolution.

#### **Medicare-Like Rate Caps—Stretching Precious Federal Health Care Dollars**

As this Committee fully understands, the unmet health needs of American Indians and Alaska Natives are severe and the health status of American Indians and Alaska Natives is far below that of the general population of the United States, resulting in an average life expectancy for American Indians and Alaska Natives 4.1 years less than that for the U.S. all races population.

The Indian Health Service and Tribal Purchased/Referred Care programs purchase primary and specialty care services from private health care providers when those services are not available at Indian Health Service or Tribal health facilities. However, Purchased/Referred Care funds have been insufficient to ensure access to care for American Indians and Alaska Natives, resulting in rationed care and diagnosis and treatment delays that lead to the need for more intensive and expensive treatment, further reducing already scarce Purchased/Referred Care funds.

In 2003, Congress amended XVIII of the Social Security Act to require Medicare-participating hospitals to accept patients referred from the Indian Health Service and Tribal Purchased/Referred Care programs and to accept payment at no more than Medicare rates—the Medicare-Like Rate cap—for the services provided. However, the Medicare-Like Rate cap only applies to hospital services, and does not apply to other types of Medicare-participating providers and suppliers.

Unlike other federal health care programs, the IHS and Tribal Purchased/Referred Care programs routinely continue to pay full billed charges for non-hospital services, resulting in needless waste of scarce federal Purchased/Referred Care funds. Because Purchased/Referred programs continue to pay full billed charges for non-hospital services, in many cases the Indian Health Service may only treat the most desperate “Life” or “Limb” cases, leading to many undesirable health outcomes for American Indians and Alaska Natives, and ultimately increasing costs to the Purchased/Referred Care programs.

In the near future, legislation will be introduced to provide for the application of the Medicare-Like Rate cap to all IHS Medicare-participating providers and suppliers. In April 2013, GAO recommended that Congress enact such legislation, and HHS concurred in that recommendation. USET urges this Committee to strongly endorse such legislation and support its rapid advancement.

#### ***Carcieri* Fix**

This Committee has strongly supported *Carcieri* fix language over the last several years. In doing so, this Committee has sought to overturn the unjust Supreme Court decision in *Carcieri v. Salazar*, which has led to two classes of Tribes—those that can take land into trust and build up their communities and those that cannot. Further, this holding has severely hampered economic development in Indian Country and created a public safety risk through jurisdictional confusion. President Obama has requested this *Fix* in his budget and USET asks that this Committee elevate the urgency to resolve this injustice and once again take up the fight for fair and equal treatment of all Tribal nations and advance a *Carcieri* fix. In an era of Tribal Nation rebuilding and the pursuit of economic success and prosperity, the confusion and chaos that has resulted from this SCOTUS decision serves as one of our most significant barriers and challenges to this pursuit.

#### **Support Tribal Sovereignty in the Area of Taxation**

With Federal budget restrictions in place for years to come, Tribal tax rights become more important, both for Tribal economic success and as a matter of sovereignty.

USET calls upon Congress to ensure that federal tax law treats Indian Tribes in a manner consistent with their governmental status, as reflected under the U.S. Constitution and numerous federal laws, treaties and federal court decisions. Indian Tribes have a governmental structure, and have the power and responsibility to enact civil and criminal laws regulating the conduct and affairs of their members and reservations. They operate and fund courts of law, police forces and fire departments. They provide a broad range of governmental services to their citizens, including education, transportation, public utilities, health, economic assistance, and domestic and social programs. Like states and local governments, Tribes—as political bodies—are not subject to income tax under the Code. The non-taxable status of Tribal governments is a matter of governmental fairness and parity. Improvements to the Tax Code are also vitally needed to align federal tax policy with the critical federal policy objectives of Tribal self-determination, Tribal economic growth and self-sufficiency and the promotion of strong Tribal governments on equal footing with other sovereigns within the federal system. Tax policy fairness toward Tribal

governments and the promotion of economic growth are of central importance in Indian Country. Tribal governments must stimulate reservation-based economic growth to generate the level of revenue needed to deliver vital programs and services within their territories. While Tribal governments carry out responsibilities in their communities that are similar in many respects to those of states and local governments; Tribal governments are not able to rely on a robust tax base for revenue. Instead, Tribal governments rely on revenue generated from economic development to meet and supplement vital programs and services. This makes clear that Congress must create reliable and effective federal tax policy to firmly support Tribal governance while protecting the ability of Tribes to generate and retain the full use of Tribal revenue.

Tribal governments also have responsibilities that are distinct from those of other sovereigns. Tribes and their elected representatives have the added responsibility of ensuring they have the revenue needed to fulfill responsibilities to maintain Tribal language, culture, and ceremonies. Preservation and restoration of Tribal culture remains a significant federal policy objective.

We ask that this Committee be supportive of this effort as we work on addressing the larger budget picture for all of Indian Country.

#### **Fair Funding for Newly Recognized Tribes**

Federal recognition obligates the government to provide for the health and welfare of Tribal nations. Yet, two recently recognized Tribes in the Nashville Area, the Shinnecock and Tonawanda Nations are forced to operate without the appropriated funds for health care services to which they are legally entitled. This has gone on for several years, in spite of previous requests for funding from the IHS. While other Tribes have access to their apportionment of IHS dollars, these Tribes have only a small amount of “bridge” funding through the Purchased and Referred Care program, access to which was only given in February of 2013.

USET was pleased to learn that IHS has, once again, requested funding for these Tribes and that the Administration acknowledged their obligation to the Tribes and proposed \$8 million in the FY 2015 President’s Budget Request for five newly recognized or restored Tribes in the California and Nashville Areas. However, as the Congressional Justification reveals, the Administration has requested only \$4.2 million and \$1.7 million for Shinnecock and Tonawanda, respectively. These levels are far below those formulated and requested by the Nashville Area IHS Office in previous years: \$6.2 million in 2012 for Shinnecock and \$2.6 million in 2010 for Tonawanda. Adjusting for inflation, IHS’ FY 2015 funding requests for Shinnecock and Tonawanda are markedly insufficient.

This Administration and Congress must deliver on the promise made to these “new” Tribes and provide new appropriations that will allow for parity with other Indian health programs nationally. We urge the Committee to advocate for funding for new Tribes at a level reflective of their true need.

#### **Definition of “Indian”—Support the Indian Definition of “Indian”!**

USET joins other Tribes and Tribal Organizations in calling for a fix to inconsistencies in the definition of “Indian” in the Affordable Care Act (ACA). While we believe the intent of Congress was to allow all IHS beneficiaries access to the special benefits and protections reserved for American Indians and Alaska Natives (AI/AN) in the ACA, the ACA has been interpreted to limit access to only enrolled Tribal members and Alaska Native Claims Settlement Act Shareholders. The result is an uneven and unfair application of the law to IHS’ patients, including those served by facilities in the Nashville Area—USET’s area—and confusion across Indian Country. In addition to a fix through regulation, USET fully supports passage of S. 1575, which would streamline the definitions of Indian in the ACA to reflect the statutory definition of Indian used to determine eligibility for IHS services. While the Committee works to favorably report S. 1575, we ask that Congress clarify its intent to the Department of Health and Human Services (HHS) that the special benefits and protections for AI/ANs in the ACA are intended to apply all IHS beneficiaries. As millions of Americans begin to experience the benefits of the ACA, the Committee should use all methods at its disposal to ensure that all AI/AN receive the benefits Congress intended for them.

#### **Health Information Technology—Renew Funding for FY 2015 for the Successful Nashville Area Program**

Due in part to congressional reporting requirements like the Government Performance and Results Act (GPRA) and improving efficiency in health care delivery, Health Information Technology (HIT) is an ongoing need throughout Indian Country. The Indian Health Service Resource Patient Management System (RPMS) Electronic Health Record (EHR) is a data system designed to meet the varying needs

of the IHS and Tribal hospitals and clinics. The goal of RPMS EHR is to provide meaningful and rapid access to information for direct support of health care delivery and resource management. Although HIT has advanced to make it easier for IHS/Tribes/Urban (I/T/U) programs to report on the quality of health care they deliver to their beneficiaries, additional advancement is needed to modernize the I/T/U systems to be at par with other health care delivery systems across the United States.

The IHS has been providing USET with funding to assist Tribes in taking full advantage of their RPMS systems in an attempt to increase GPRA reporting. For FY15, USET was disappointed to learn that IHS does not plan to renew funding for the GPRA program in the Nashville Area. These funds have been vital to the success of USET Tribes, and the IHS in meeting health indicators that are reported to Congress each year. Over time, this data has shown the efficacy of increased funding to the Indian Health Service. We urge Congress to consider additional funds to assist I/T/U in advancing their HIT needs.

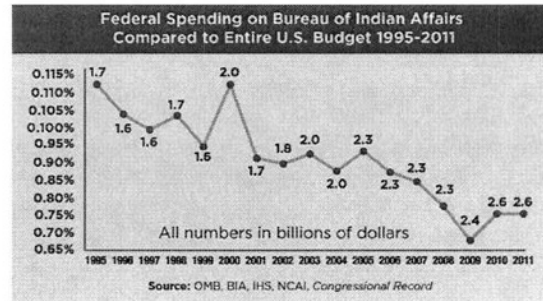
#### **Inflation and the Budget for Federal Indian Programs**

In evaluating whether the Federal budget fulfills the Trust responsibility, USET believes that it is critical to take into account the effects of inflation. From FY 2002 through FY 2008, despite annual increases, after taking into account the effect of inflation, most Federal domestic programs, including the Indian programs, saw a purchase power decrease of *approximately 14 percent*. The large budget increase in FY 2009, including ARRA funding, was approximately enough to make up for this effective cut and bring the purchase power of Indian programs back to FY 2002 levels, but in the intervening 12 years, Indian country needs have grown substantially. And, of course, the FY 2002 levels were inadequate to address the needs of Indian country or to fulfill the Federal Government's trust obligation.

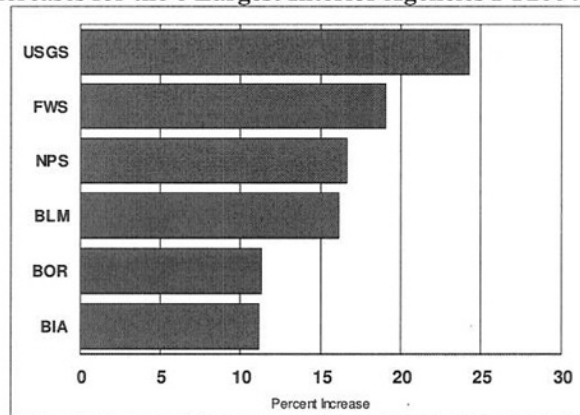
Further, with regard to inflation, the rate the Federal Government uses does not accurately reflect true levels of inflation. In the FY15 President's Budget Request, IHS requested \$34 million for inflation. This reflects a blanket rate of 3.6 percent for medical inflation and 1.5 percent for non-medical identified by OMB, the same they used last year, and is earmarked for increases in Purchased/Referred Care (formerly CHS). However, the Consumer Price Index (CPI) contains different rates that correspond to different parts of the IHS delivery system. Inpatient hospital care is at 4.3 percent and outpatient is at 3.8 percent. Inflation for various line items in the IHS budget, H&C, PRC, Mental Health, etc. should be calculated based on relevant components in the CPI.

In a very real way, the budget of the United States government reflects the values of the American people. Courtesy of the National Congress of American Indians (NCAI), set forth below is a chart that depicts the percentage of the Federal budget dedicated to funding the BIA. As you can see, as a percentage of the overall budget, the BIA budget has declined from .115 percent in FY 1995 to .075 percent (correcting chart typo) in FY 2011, approximately a one-third decline as a percentage of the overall budget (despite a small bump up in FY 2010). Below that chart is another which demonstrates that over the last ten years, when funding increases have come to the Department of the Interior they have been greater for other major agencies within the Department than for the Bureau of Indian Affairs.





### Budget Increases for the 6 Largest Interior Agencies FY2004 to FY 2014



### Conclusion

USET recognizes that in challenging times, all Americans must be called upon to sacrifice for the common good of all. USET suggests, however, that when it comes to sacrificing for the good of all Americans, the historic record demonstrates that nobody has sacrificed more than Native Americans. We ask that this Committee support and advocate for a budget based on American values that reflects the trust responsibility and fair dealing for Indian Tribes.

### PREPARED STATEMENT OF THE NATIVE HAWAIIAN EDUCATION COUNCIL

Aloha Chairman Tester and members of the Senate Committee on Indian Affairs, Mahalo, thank you, for allowing us an opportunity to submit comments at your oversight hearing on the President's FY 2015 Budget.

We are seeking continued funding at pre-sequestration levels for the Native Hawaiian Education Program (NHEP) that targets the Native Hawaiian student population. The NHEP is an important part of fulfilling the trust relationship between the U.S. and Native Hawaiians, and it helps to improve the educational status of Native Hawaiians. It is an important element in the Native community's effort to control its education programs and policies and to achieve educational parity. NHEP aims to close the education achievement gap between Native Hawaiians and the general population, and also functions to fulfill the trust relationship between the United States and Native Hawaiians, the indigenous people of a once sovereign nation. During the time of their own sovereignty in the kingdom of Hawai'i, Native Hawaiians had a higher rate of literacy than citizens of the United States. The educational achievement gap has occurred during the intervening years since the loss of Native Hawaiian sovereignty, so that today Native Hawaiians are among the most disadvantaged groups in the state.

### The NHEP Works

NHEP has been effective over the years in meeting the goals of the program. For example, NHEA has been instrumental in preserving and protecting the Native Hawaiian language through funding projects that are designed to address the use of the Native Hawaiian language in instruction, one of the priorities named in the NHEA. The number of speakers nearly doubled in 18 years from 8,872 speakers in 1990 to 16,864 in 2008 (Source: OHA Data Book 2011 Tables 4.19 and 4.44).

The NHEP has funded programs that incorporate culture and indigenous teaching practices in the classroom that leads to better outcomes for Native Hawaiian students. An example is the improvement in the graduation rates for Native Hawaiians and math and reading scores. Graduation rates for Native Hawaiians between 2002 and 2010 rose from 70 percent to 72.2 percent (Sources: Kamehameha Schools' Native Hawaiian Education Assessment Update 2009, Fig. 9 and HI DOE 2005–06 to 2009–10).

Similarly, math and reading scores have risen for Native Hawaiians. The percent of Native Hawaiians scoring "Proficient or Above" from 2007 to 2012 rose from 27 percent to 49 percent in math and from 41 percent to 62 percent in reading (Source: Hawaii DOE Longitudinal Data System).

School attendance rates in schools with student populations that are over 50 percent Native Hawaiian have increased from 90.1 percent in the 2000–01 school year to 91.3 percent in the 2011–12 school year (Source: Kamehameha Schools' draft Ka Huaka'i update, p. 58).

### The Need Still Exists

In spite of the gains that Native Hawaiians have made educationally, the need for innovative programs to assist Native Hawaiians to improve their academic performance still exists, since Native Hawaiians have not yet attained parity with the rest of the students in the state.

Timely high school graduation rates for students in the state rose from 77 percent to 79.6 percent in the same time period that it rose from 70 percent to 72.2 percent for Native Hawaiians (Sources: Kamehameha Schools' Native Hawaiian Education Assessment Update 2009, Fig. 9 and HI DOE 2005–06 to 2009–10).

Native Hawaiians still lag behind the rest of the state in academic performance; however the gap between the Native Hawaiians and others is decreasing. From 2007 to 2012 the increase in the percentage of Native Hawaiians scoring "Proficient or Above" in math rose 22 percentage points, while the increase for the state during the same time period was 21 percentage points. The increase for Native Hawaiians in reading was even more dramatic during that time period, increasing 21 percentage points compared to the state increase of only 11 percentage points. Unfortunately those gains were not enough to bring Native Hawaiians to parity. In 2012 Native Hawaiians were still 10 points behind the state in the percentage scoring "Proficient or Above" in math and nine points behind in the percentage scoring "Proficient or Above" in reading.

Percent Scoring Proficient or Above

		2007	2012	Change
Native Hawaiians	Math .....	27%	49%	22
State Totals	Math .....	38%	59%	21
	Difference .....	-11	-10	
Native Hawaiians	Reading .....	41%	62%	21
State Totals	Reading .....	60%	71%	11
	Difference .....	-19	-9	

Source: Hawaii DOE Longitudinal Data System

In the area of Native Hawaiian language immersion, although the gains have been tremendous, the nearly 17,000 speakers in 2008 only represents 6 percent of the approximately 290,000 Native Hawaiians in Hawai'i (2010 U.S. Census).

### Appropriations Request

The pre-sequestration appropriations level for the NHEP was \$34 million. Sequestration reduced the amount by \$2 million to \$32 million, which is the amount entered into the President's budget. For such a small program as the NHEP, the \$2 million reduction makes a significant negative impact on the program. We would like to continue to make gains in the educational achievement of Native Hawaiians, and request the pre-sequestration level of \$34 million so that we don't lose the momentum of improvement.

NHEP funds programs to help improve the educational attainment of Native Hawaiians in ways that are linguistically and culturally aligned to the needs of our Native students and communities in Hawai'i. Improving education, particularly for the most depressed groups, eventually leads to cost savings over time through decreased incarceration, poor health, and public assistance. (Barnett, W. S., & Ackerman, D. J. 2006. *Costs, benefits, and the long-term effects of early care and education programs: Cautions and recommendations for community developers. Journal of the Community Development Society*, 37(2), 86–100.) Academic achievement is also correlated with positive economic outcomes. (Belfield, C. 2008, June. *The economic investments of early education in Hawaii. Issue Brief. Flushing, NY: Queen's College, City University of New York.*)

Please help us sustain the NHEP to its pre-sequestration level in order to continue the educational gains that have taken this program years to accomplish.

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PREPARED STATEMENT OF THE NATIONAL INDIAN CHILD WELFARE ASSOCIATION  
(NICWA)

The National Indian Child Welfare Association (NICWA) is a national American Indian/Alaska Native (AI/AN) nonprofit organization. NICWA has over 35 years of experience providing leadership in the development of public policy that supports tribal self-determination in child welfare and children's mental health systems. We thank the Senate Committee on Indian Affairs for their continued efforts on behalf of AI/AN children and families, and share the following budget recommendations for FY2015.

**Child Welfare Overview**

Tribes have an important relationship with their children and families: they are experts in the needs of AI/AN children, best suited to effectively serve those needs, and most able to improve child welfare outcomes for these children (NICWA & Pew Charitable Trust, 2007). In addition, statistics show that AI/AN children face elevated rates of child abuse and neglect (Dept. of Health and Human Services, 2012). The key to successful tribal child welfare is a budget that avoids unnecessary restraint on tribal decision-making and accounts for the elevated need. For this reason we make the following recommendations:

- For programs administered by the Department of Health and Human Services, Administration for Children and Families: Promoting Safe and Stable Families (\$75 million discretionary; \$345 million mandatory), Child Welfare Services (\$280 million), Child Abuse Discretionary Activities (\$35 million), Community Based Child Abuse Prevention Program (\$60 million), and Demonstration to Address Over-Utilization of Psychotropic Medications for Children in Foster Care (\$250 million).
- For programs administered by the Department of the Interior, Bureau of Indian Affairs: Indian Child Protection and Family Violence Prevention (\$43 million), Indian Child Welfare Act (\$15.6 million Tribal Priority Allocation; \$16.5 million Self-Governance; \$5 million Off-Reservation program), Social Services (\$40.8 million), and Welfare Assistance (\$80 million).

**Children's Mental Health Overview**

To understand the mental health needs of AI/AN children, policymakers must consider the legacy of trauma that has been visited upon this population and left them with unresolved historical trauma (Yellow Horse Brave Heart and DeBruyn, 1998). Inadequate funding, uncoordinated health systems, cultural incompetence, and a shortage of mental health professionals are barriers to the development of successful mental health systems of care in AI/AN communities (Novins & Bess, 2011). Key to children's mental health programs in tribal communities is a budget that supports and strengthens a system of tribally driven children's mental health prevention, intervention, and treatment. For this reason we make the following recommendations:

- For programs administered by the Department of Health and Human Services, Substance Abuse Mental Health Services Administration: Programs of Regional and National Significance, Children and Family Programs (\$6.5 million), Children's Mental Health Services Program, Children's Mental Health Initiative (\$117 million), Tribal Behavioral Health Grants (\$40 million), GLS Youth Suicide Prevention Program (\$35.5 million), and AI/AN Suicide Prevention (\$2.94 million).

Committee on Appropriations  
Subcommittee Labor, Health and Human Services, Education, and Related Agencies  
Department of Health and Human Services Recommendations  
Administration for Children & Families

**Child Welfare Priority Recommendations**

**Child Welfare Services Program recommendation:** *Restore funding to at least \$280 million, to increase funding for tribal programs while still providing for an increase in state funding.*

This program provides funds to promote program flexibility and fill gaps in child welfare programming. Tribes receive an allocation based on a population-based formula identified within the regulations. This tribal allocation is then deducted from the state's allocation. Studies show that culturally competent programs, resources, and case management result in better outcomes for AI/AN children and families involved in the child welfare system (Red Horse, Martinez & Day, 2001). The funding of the Child Welfare Service Program is flexible enough for tribes to tailor their child welfare services to fit their communities' needs and culture.

Without adequate funding AI/AN children and families in tribal communities cannot receive the care they need and remain at risk of further harm and trauma. Of the 566 federally recognized tribes 180 depend on this funding. The median tribal grant is about \$13,300 an insufficient amount to support all the gaps in tribal services this program can fill. Because of the way the formula for tribal grants has been created, it is essential to increase the entire appropriation of this program to \$280 million to increase tribal amounts.

**Promoting Safe and Stable Families recommendation:** *Increase discretionary funding to \$75 million to allow more tribes, who are currently ineligible, access to these funds. As recommended by the President's Budget fully fund the \$345 million in mandatory funding cut due to sequestration.*

<u>Promoting Safe and Stable Families (Social Security Act Title IV-B, Subpart 2)</u>						
	<i>FY2012 Enacted</i>	<i>FY2013* Enacted</i>	<i>FY 2014 Enacted</i>	<i>FY2015 Pres. Budget</i>	<i>FY2015 Recommended</i>	<i>Authorization</i>
Mandatory	\$345,000,000	\$327,405,500	\$320,160,000	\$345,000,000	\$345,000,000	\$345,000,000
Discretionary	\$63,063,000	\$59,671,500	\$59,763,000	\$59,763,000	\$75,000,000	\$200,000,000
Total	\$408,063,000	\$387,077,000	\$379,923,000	\$404,763,000	\$420,000,000	\$345,000,000
Tribal Mandatory	9,149,000	\$8,459,200	\$9,604,800	\$10,350,000	<del>\$14,100,000</del>	3% set aside
Tribal Discretionary	\$1,892,000	\$1,790,000	\$1,792,950	\$1,792,950	<del>\$2,250,000</del>	of total
Tribal Total	\$11,041,000	~\$10,249,200	~\$11,397,750	\$12,142,950	<del>\$16,350,000</del>	appropriation

\* Reflects sequestration effects.

This program is designed to provide funds to operate a coordinated program of family preservation, family support, reunification, and adoption services. Promoting Safe and Stable Families is authorized with both a mandatory capped entitlement (\$345 million) as well as a discretionary appropriation (\$200 million). Tribes are eligible for funds based on a 3% set-aside of the total appropriation. All tribes whose plan receives approval are eligible for a portion equal to that tribe's relative share of children

compared with all tribal entities with approved plans. Tribes who would qualify for less than 10 thousand dollars under the formula are not eligible to receive funding.

Tribal child welfare programs work tirelessly to strengthen families and provide services that keep children safely in their homes. This program is an integral part of these efforts. It supports parenting classes, home-visiting services, respite care for caregivers of children, and other services that safely preserve families.

One hundred and thirty tribes and tribal consortia depend on this funding. Yet because of the funding levels, many tribes are ineligible for these formula grant dollars as their portion of the tribal set-aside is less than \$10,000. Increasing this program's discretionary funding to \$75 million and fully funding the \$345 million in mandatory funding would help dozens of new tribes access this funding and hundreds of families obtain tribal child welfare services.

#### **Child Welfare Other Recommendations**

**Child Abuse Discretionary Activities, including Innovative Evidence-Based Community Prevention Programs recommendation:** *Increase appropriations to \$35 million to account for tribes' recent eligibility for these funds while holding state and other grantees harmless.*

**The Community Based Child Abuse Prevention Program recommendation:** *Increase funding to \$60 million, so that more tribes can have access to these scarce child abuse prevention dollars.*

**Demonstration to Address Over-Utilization of Psychotropic Medications for Children in Foster Care (President's FY 2015 Initiative) recommendation:** *Fund this initiative at the proposed \$250 million and ensure a tribal set-aside of 3% so that tribal communities can also participate in this important initiative to ensure children receive holistic mental health care.*

#### **Department of Health and Human Services Recommendations** **Substance Abuse and Mental Health Services Administration**

##### **Children's Mental Health Priority Recommendations**

**Programs of Regional and National Significance: Children and Family Programs (Circles of Care) recommendation:** *Fund Circles of Care Program at \$6.5 million as recommended by the President to ensure current communities can continue their important work and new tribal communities can have access to this program.*

The Children and Family Programs line item represents funds allocated to the Circles of Care Program. The Circles of Care program is the cornerstone of children's mental health programming in tribal communities. The Circles of Care program is the only SAMHSA grant program that is focused specifically on AI/AN children's mental health needs. It is also the only SAMHSA program that allows tribes and tribal organizations to apply without competing for funding with other governmental entities such as states, counties, or cities. There are currently seven communities receiving Circles of Care funding.

The American Psychiatric Association has found that AI/AN children and youth face a “disproportionate burden” of mental health issues while simultaneously facing more barriers to quality mental health care (2010). Circles of Care provides communities with funding to plan and build culturally competent services and design integrated supports that meet the specific needs of their youth with behavioral health challenges. It is essential to the well-being of AI/AN children. It is imperative that funding that matches the President's Budget request of \$6.5 million be reserved in this line item for the Circles of Care program. This will ensure that more tribal communities can access this grant and improve their children's mental health care systems.

**Children's Mental Health Services Program: Children's Mental Health Initiative (Systems of Care) recommendation:** *Maintain funding at \$117 million to continue support of Tribal children's mental health systems change.*

The various Systems of Care grants funded under this line item support a community's efforts to plan and implement strategic approaches to mental health services and supports that are family driven; youth guided; strength based; culturally and linguistically competent; and meet the intellectual, emotional, cultural, and social needs of children and youth.

The American Psychiatric Association (APA; 2010) has recognized family, culture, and traditional health practices as important protective factors for AI/ANs struggling with mental health challenges. The Systems of Care program, which foster those protective factors described by the APA, has been both well-received and particularly effective in tribal communities. Currently, 17 tribal communities are funded under the Children's Mental Health Initiative line item.

The well-being of AI/AN children is dependent on the ability of more tribes to access these funds and create real systems change. Thus, funding must be maintained at \$117 million as recommended by the President's Budget. This will ensure the current Systems of Care grantees can continue, and a new robust cohort of grantees can begin this important work.

#### **Children's Mental Health Recommendations**

**Tribal Behavioral Health Grants recommendation:** *Implement President's Budget FY2013 recommendation to fund this new initiative at \$40 million so that additional tribal communities can receive resources for children's mental health and substance abuse.*

**The GLS State/Tribal Youth Suicide Prevention and Early Intervention Program recommendation:** *Keep funding at the FY2014 appropriated level of \$35.5 million to ensure that current grantees can complete their projects, and a similar sized cohort of annual grantees will have access to this program.*

**The AI/AN Suicide Prevention recommendation:** *Find at the President's Budget proposed amount of \$2.94 million, to ensure that the epidemic of AI/AN suicide receives the attention it warrants.*

Committee on Appropriations  
Subcommittee Interior, Environment, & Related Agencies  
Department of the Interior Recommendations  
Bureau of Indian Affairs

Child Welfare Priority Recommendations

**Indian Child Protection and Family Violence Prevention Act recommendation:** *Appropriate \$43 million for the three discretionary grant programs under this law: 1) \$10 million for the Indian Child Abuse Treatment Grant Program; 2) \$30 million for the Indian Child Protection and Family Violence Prevention Grant Program; and 3) \$3 million for the Indian Child Resource and Family Service Centers so that tribes will finally get this vital funding.*

The Indian Child Protection and Family Violence Prevention Act (ICPFVP; P.L. 101-630), was enacted to fill gaps in tribal child welfare services—specifically child protection and child abuse treatment—and to encourage coordination between child abuse and domestic violence programs.

AI/AN women are more likely than any other racial group to experience intimate partner violence (IPV); 39% of AI/AN women report having experienced IPV at some point in their lives (Black and Breiding, 2008). Studies show that in 49%–70% of cases, men who abuse their partners also abuse their children (White Eagle, Clairmont, and Hunter, 2011). The ICPFVP programs are the only funds specifically authorized for tribes to address these issues. The three programs authorized under this line item provide funding for child abuse treatment and prevention; investigation of child abuse reports; family violence treatment services; and the establishment of BIA Indian child resource and family service centers to assist tribes with the investigation, prevention, and treatment of victims of child abuse and domestic violence. In spite of the great need, and these programs' authorization in 1991, only the BIA Indian child resource and family centers have ever received funding and that was only in one fiscal year.

This year the President introduced an important Indian Country budget initiative: the *Tiwahe* (Family) Initiative. This initiative aims to empower tribal communities in order to strengthen AI/AN families by “directing additional resources to support culturally appropriate social services and a more holistic approach toward family stability” (U.S. DOI Budget Justifications and Performance Information Indian Affairs FY 2015 (“Greenbook”), 2014, p. 1A-ES-2).

This initiative will provide additional funding to the BIA Social Service Program, the Indian Child Welfare Act (ICWA) program, and to BIA job training and job placement programs. Omitting the funding for ICPFVPA programs leaves a gap in the President’s Budget initiative. For this reason, and as a part of this *Tiwahe* Initiative, the programs under this grant should be fully appropriated.

**ICWA Funding recommendation:** *Increase the ICWA On or Near Reservation Program appropriations by \$5 million and the Self-Governance and Consolidated Tribal Government ICWA On or Near Reservation appropriations by \$5 million, for a total increase of \$10 million to help tribes meet the needs of their communities. Appropriate an additional \$5 million for the authorized, but unfunded, Off-Reservation ICWA Program to ensure ICWA protects all children.*

<i>Indian Child Welfare Act</i>					
	<i>FY2012 Enacted</i>	<i>FY2013* Enacted</i>	<i>FY2014 Enacted</i>	<i>FY2015 Pres. Budget</i>	<i>FY2015 Recommended</i>
On-Reservation: Tribal Priority Allocation	\$10,850,000	\$10,628,000	\$10,710,000	~\$13,128,000	\$15,628,000
On-Reservation: Self-Gov/638/ Consol. Tribal Gov't Program	\$11,300,000	\$11,480,000	number not available	~\$13,980,000	\$16,480,000
Off-Reservation	\$0	\$0	\$0	\$0	\$5,000,000
*Reflects sequestration effects.					

At the time that ICWA was passed, Congress estimated that between \$26 million and \$62 million was required to fully fund tribal child welfare programs on or near reservations during the first years of the grant program (U.S. Senate Report 95-597). ICWA funding is used for family reunification and rehabilitation, case management, foster care recruitment and retention, and adoption services. Increased ICWA funding is essential for strong AI/AN families and communities. Despite its importance to so many facets of tribal child welfare, it remains underfunded.

As part of the *Tiwahe* Initiative, the President's Budget recommends a \$5 million increase to ICWA on-reservation funding to be shared between Tribal Priority Allocation and Self-Governance/638/Consolidated Tribal Government Programs. This would amount to an approximate increase of \$2.5 million to each of these ICWA on-reservation programs. Spreading the \$5 million increase between both Tribal Priority Allocation tribes and Self-Governance/638/Consolidated Tribal Government Programs will prevent a significant increase in actual ICWA funding for all tribes. ICWA is such a foundation to the *Tiwahe* Initiative that we recommend a \$5 million increase to each of the ICWA on-reservation funding programs. This would mean a \$5 million increase to the Tribal Priority Allocation as well as a \$5 million increase to Self-Governance/638/ Consolidated Tribal Government Programs for ICWA purposes.

The protections of ICWA are particularly important to AI/AN children who live in off the reservation. For this reason, ICWA authorizes child welfare funding for urban ICWA programs. From 1979-1996, funding was allocated for ICWA grants to urban organizations serving AI/AN peoples. This off-reservation ICWA program has not since been funded since, despite the fact that, according to the 2010 Census, 67% of AI/AN people lived *off-reservation*. Urban programs provide important ICWA services including recruitment of AI/AN foster homes, case management, identification of at-risk families for services, and in-home services. As a result of the loss of funding, the majority of these programs have disintegrated. It is for this reason that to truly fulfill the *Tiwahe* Initiative, funding for off-reservation ICWA programs must be reinstated and appropriated at \$5 million.

#### Child Welfare Recommendations

**Social Services recommendation:** *Increase funding by \$5 million as recommended by the President's proposed Tiwahe Initiative for a total appropriation of \$40.8 million so that child protective services can be fortified.*

**Welfare Assistance recommendation:** *Increase current funding levels to \$80 million to provide a safety net for Native families and assist kinship caregivers in tribal communities*

#### PREPARED STATEMENT OF NATIONAL INDIAN EDUCATION ASSOCIATION (NIEA)

The National Indian Education Association (NIEA) appreciates the work of the Senate Committee on Indian Affairs for making education a priority. As the Committee works with appropriators and the Administration, we request this written testimony be submitted into the record, so Native education stakeholders are represented. NIEA was incorporated in 1970 and is the most representative Native education organization in the United States. NIEA's mission is to advance comprehensive and equal educational opportunities for American Indian, Alaska Native, and Native Hawaiian students. NIEA supports tribal sovereignty over education as well as strengthening traditional Native cultures and values that enable Native learners to become contributing members of their communities. As the most inclusive Native education organization, NIEA membership consists of tribal leaders, educators, students, researchers, and education stakeholders from all 50 states. From communities in Hawaii, to tribal reservations across the continental U.S., to



villages in Alaska and urban communities in major cities, NIEA has the most reach of any Native education organization in the country.

#### **The State of Native Education**

Native education is in a state of emergency. Native students lag behind their peers on every educational indicator, from academic achievement to high school and college graduation rates. Just over 50 percent of Native students are graduating high school, compared to nearly 80 percent for the majority population nationally. Further, only one in four Native high school graduates who took the ACT scored at the college-ready level in math and only one-third in reading comprehension, as compared to more than half for white graduates. Increasingly alarming, only 40 percent of Native college enrollees in 2004 actually graduated college with a bachelor's degree by 2010. Nearly 62 percent of the majority students graduated. For Native students to succeed in college and careers, they must have a strong education foundation that also meets their local needs and strengthens their linguistic and cultural identity.

#### **Uphold the Trust Responsibility**

The federal government has a trust relationship with tribes established through treaties, federal law, and U.S. Supreme Court decisions. This relationship includes a fiduciary obligation to provide parity in access and equal resources to American Indian and Alaska Native students. National fiscal and policy concerns should not be addressed by decreasing funds and investment to Native students or the programs that serve them.

Native education is one of the most effective and efficient investments the federal government can make. Unfortunately, historical funding trends illustrate that the federal government is abandoning its trust responsibility by decreasing federal funds to Native-serving programs by more than half in the last 30 years. Sequestration only exacerbated those shortfalls. As tribes and Native communities work with Congress to increase their role and responsibility in administering education, federal support should increase for tribal governments and Native education institutions to repair the damage caused by shrinking budgets.

#### **Fiscal Year 2014 Funding Requests**

While FY 2014 funding increases over sequestration levels are welcome, funding continues to be insufficient for effectively and equally serving Native students. Until the federal government fully appropriates funding to bridge the educational attainment gap among Native and non-Native students, the trust responsibility will be undermined. The federal government should fund Native education programs at the levels below as the programmatic requests detail the minimum appropriations needed to maintain a system that is already struggling and underfunded. Further, NIEA supports the budget requests of the National Congress of American Indians and the American Indian Higher Education Consortium.

#### **DEPARTMENT OF EDUCATION—LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION APPROPRIATIONS BILL**

#### **Title I, Part A Local Education Agency Grants**

**Provide \$25 billion for Title I, Part A.** *An increase of \$10.6 billion.*

- Title I of the Elementary and Secondary Education Act provides critical financial assistance to local educational agencies and schools with high percentages of children from low-income families that ensure all children meet challenging state academic standards.
- Currently, there are over 600,000 Native students across the country with nearly 93 percent of those students attending non-federal institutions, such as traditional public schools in rural and urban locations.
- A drastic increase in funding to counter annual inflation and sequestration, as well as match the amount appropriated under the American Reinvestment and Recovery Act, is necessary to meet the needs of Native students and students from low-income families.

#### **State-Tribal Education Partnership (STEP) Program**

**Provide \$5 million.** *An increase of \$3 million.*

- Congress appropriated roughly \$2 million dollars for the STEP program to five participating tribes in FY 2012 and FY 2013 under the Tribal Education Department appropriations.

- In order for this program to continue to succeed and thrive, it must receive its own line and authorization of appropriations in FY 2015.
- Collaboration between tribal education agencies and state educational agencies is crucial to developing the tribal capacity to assume the roles, responsibilities, and accountability of Native education departments and increasing self-governance over Native education.

#### **Impact Aid**

- **Provide \$2 billion for Impact Aid, under ESEA Title VIII.** *An increase of \$711 million.*
- Impact Aid provides direct payments to public school districts as reimbursement for the loss of traditional property taxes due to a federal presence or activity, including the existence of an Indian reservation.
- With nearly 93 percent of Native students enrolling in public schools, Impact Aid provides essential funding for schools serving Native students.
- Funding for Impact Aid must not be less than this requested amount.

#### **Title VII (Indian Education Formula Grants)**

**Provide \$198 million under ESEA Title VII, Part A.** *An increase of \$76 million.*

- This grant funding is designed to supplement the regular school program and assist Native students so they have the opportunity to achieve the same educational standards and attain parity with their non-Native peers.
- Title VII funds support early-childhood and family programs, academic enrichment programs, curriculum development, professional development, and culturally-related activities.
- Title VII programs were maintained at the 2013 sequestration level of \$124 million.
- While these levels are higher than what would have been incurred under another year of sequestration, current funding results in inadequate support for critical culturally-relevant educational services.

#### **Native Hawaiian Education Program**

**Provide \$35 million under ESEA Title VII, Part B.** *An increase of \$3 million.*

- This program funds the development of curricula and education programs that address the education needs of Native Hawaiian students to help bring equity this Native population.
- The Native Hawaiian Education program empowers innovative culturally appropriate programs to enhance the quality of education for Native Hawaiians. When establishing the Native Hawaiian Education Program, Congress acknowledged the trust relationship between the Native Hawaiian people and the United States.
- These programs strengthen the Native Hawaiian culture and improve educational attainment, both of which are correlated with positive economic outcomes.
- Native Hawaiian-serving programs under Title VII were also maintained at the 2013 sequestration level, reducing much-needed services to Native students.

#### **Alaska Native Education Equity Assistance Program**

**Provide \$35 million under ESEA Title VII, Part C.** *An increase of \$4 million.*

- This assistance program funds the development of curricula and education programs that address the unique educational needs of Alaska Native students, as well as the development and operation of student enrichment programs in science and mathematics.
- This funding is crucial to closing the gap between Alaska Native students and their non-Native peers.
- Other eligible activities include professional development for educators, activities carried out through Even Start programs and Head Start programs, family literacy services, and dropout prevention programs.
- Alaska Native-serving programs under Title VII were also maintained at the 2013 sequestration level, reducing much-needed services to Native students.

### **Tribal Colleges and Universities: Supporting Financially Disadvantaged Students**

**Provide \$60 million (\$30 million in discretionary funding and \$30 million in mandatory funding) for Title III-A grants under the Higher Education Act for Tribal Colleges and Universities.** *An increase of \$35.5 million.*

- Titles III and V of the Higher Education Act, known as Aid for Institutional Development programs, support institutions with a large proportion of financially disadvantaged students and low cost-per-student expenditures.
- Tribal Colleges and Universities (TCUs) clearly fit this definition. The nation's 37 TCUs serve Native and non-Native students in some of the most impoverished areas in the nation.
- Congress recognized the TCUs as emergent institutions, and as such, authorized a separate section of Title III (Part A, Sec. 316) specifically to address their needs.
- Additionally, a separate section (Sec. 317) was created to address similar needs of Alaska Native and Native Hawaiian institutions. Sixty million should be provided (\$30 million discretionary/appropriations and \$30 million in mandatory funding under SAFRA) in FY 2015 to continue to fund grants to these vital institutions.

### **Tribal Colleges and Universities: Adult/Basic Education**

**Provide \$8 million for American Indian Adult/Basic Education at Tribal Colleges and Universities, from existing funds appropriated for state block grant funding.** *An increase of \$8 million.*

- Despite an absence of dedicated funding, TCUs must find ways to continue to provide basic adult education classes for those American Indians that the present K–12 Indian education system has failed.
- At TCUs, the number of students in need of remedial education before embarking on their degree programs is substantial.
- There is a wide-ranging need for basic adult education and literacy programs and TCUs need adequate funding to support the ever increasing demand for basic adult education and remediation program services.

### **Tribally Controlled Post-Secondary Career and Technical Institutions**

**Provide \$8.2 million for postsecondary career and technical institutions program funds under Carl Perkins Technical and Career Education Act.** *An increase of \$.5 million.*

- Section 117 of the Carl Perkins Career and Technical Education Improvement Act authorizes funding for operations at tribally-controlled postsecondary career and technical institutions.
- Vocational education/training programs are very expensive to conduct, but are vital to preparing a future workforce that will operate safely and efficiently contributing greatly to the global economy.
- Currently, two TCUs participate in this funding program: United Tribes Technical College in Bismarck, North Dakota, and Navajo Technical College in Crownpoint, New Mexico. The TCUs urge Congress to appropriate \$8.5 million for Sec. 117 of the Act.

### **Native American-Serving, non-Tribal Institutions (Higher Education Act Title III-F)**

**Provide \$10 million for non-tribal, Native-serving institutions of higher education.** *An increase of \$7 million.*

- As the primary federal funding for Native-serving, non-tribal institutions of higher education, the current appropriation of \$5 million is insufficient.
- With nearly 100 institutions potentially qualifying as Native-serving, non-tribal institutions, this strains the small amount of available funding.
- To ease the high-level of competition between Native-serving schools, increasing the funding will provide the opportunity for more Native-serving institutions to better serve their students and increase graduation rates among Native students.

DEPARTMENT OF EDUCATION AND DEPARTMENT OF THE INTERIOR—LABOR, HEALTH  
AND HUMAN SERVICES AND EDUCATION APPROPRIATIONS BILL, AND INTERIOR—  
ENVIRONMENT APPROPRIATIONS BILL

**Tribal Education Departments**

**Provide \$10 million to fund Tribal Education Departments.** *An increase of \$5 million, collectively.*

- Five million dollars should be appropriated to the Department of the Interior, and \$5 million should be appropriated to the Department of Education to support tribal education departments (TEDs).
- This funding assists TEDs, who are uniquely situated at the local level to implement innovative education programs that improve Native education.
- Because they are administered by tribes, TEDs are best equipped to deliver education programs tailored to improve education parity for Natives.
- TEDs would use this much-needed funding to develop academic standards, assess student progress, and create math and science programs that require high academic standards for students in tribal, public, and Bureau of Indian Education schools.
- Tribes utilizing self-governance over education have been very successful because they better understand the circumstances of their populations and can develop initiatives that meet local needs.

DEPARTMENT OF THE INTERIOR—INTERIOR—ENVIRONMENT APPROPRIATIONS BILL

**School Construction and Repair**

**Provide \$263.4 million for Bureau of Indian Education (BIE) school construction and repair.** *An increase of \$153.3 million.*

- This funding category includes school construction, facilities improvement and repair, and replacement school construction.
- Schools operating within the BIE system are woefully outdated and in some cases, dangerous for student and staff.
- Currently more than 60 BIE schools are rated in “poor” condition, which puts Native students at an unfair disadvantage.

**Johnson O'Malley**

**Provide \$42 million for full funding.** *An increase of \$27 million.*

- The Johnson O'Malley program has provided grants to supplement basic student needs since 1934.
- It is currently being used across the country in innovative ways to assist with the unique cultural and scholastic needs of Native students.
- Current funding provides less than \$76 per student, which are often the only source through which Native students—including those in public schools—can engage in basic activities expected of all American students.
- \$95 per student was the allocation of JOM funding per student in 1995.

**Student Transportation**

**Provide \$73 million for student transportation in the BIE system.** *An increase of \$20 million.*

- BIE schools incur significant costs in transporting Native students to and from school.
- These costs are considerably higher than most school systems due to the often-rural location of BIE facilities.
- Poor road conditions that link the BIE-funded schools increase vehicle maintenance costs.
- These high costs often lead to funding shortfalls, which then must either go unpaid or funded by diverting funds from other education programs.

**Tribal Grant Support Costs**

**Provide \$73 million for tribal grant support costs for tribally-operated schools.** *An increase of \$26 million.*

- Tribal Grant Support Costs fund the administrative costs of existing tribally-operated schools.

- The current funding levels only pays 65 percent of the current need and must not be reduced in the upcoming budget cycle.
- This funding also help tribes expand self-governance and tribal control over education programs by allocating monies for administrative costs such as accounting, payroll, and other legal requirements.
- Schools must divert critical teaching and learning funding to cover any shortfalls in operational costs.

#### **Facilities Operations**

**Provide \$109 million for BIE facilities operations.** *An increase of \$50 million.*

- BIE schools use this funding for costs such as electricity, heating fuels, communications, GSA vehicle rentals, custodial services, and other vital operating expenses.
- For years, schools have only received roughly 50 percent of funding needed for these expenses. This shortfall is unacceptable as costs continue to rise for vital services.

#### **Facilities Maintenance**

**Provide \$76 million for BIE facilities maintenance.** *An increase of \$25 million.*

- BIE schools use this funding for the preventative and routine upkeep, as well as for unscheduled maintenance of school buildings, grounds, and utility systems.
- Underfunding of maintenance continues to be an issue as buildings are in poor conditions and cannot maintain proper standards.

#### **Indian School Equalization Program (ISEP)**

**Provide \$431 million for the Indian School Equalization Program.** *An increase of \$35 million.*

- These funds provide the core budget account for BIE elementary and secondary schools by covering teacher salaries, aides, principals, and other personnel.
- ISEP funds are often reallocated to cover the program cuts in other areas of education.
- ISEP must have adequate funding to ensure all program needs are fulfilled and must not be reduced to provide funds for new initiatives that have not been vetted by tribes.

#### **Juvenile Detention Education**

**Reinstate \$620,000 for juvenile detention education in BIA-funded facilities.**

- These critical funds were eliminated for FY 2012.
- This essential funding was used to provide educational services to detained and incarcerated youth at 24 BIA-funded juvenile detention facilities.
- One of the best methods to rehabilitate individuals is through education.
- Eliminating this program creates additional costs by increasing the rate of repeat offenders.

#### **Tribal Colleges and Universities' Institutional Operations**

**Provide \$94.3 million for Titles I and II under the Tribally Controlled Colleges and Universities Assistance Act.** *An increase of \$30 million.*

- **Title I:** To fully fund Title I of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (Tribal College Act), which provides day-to-day operating funds for 26 TCUs, would require \$77.3 million.
- Since the Act was first funded in 1981, the number of TCUs has more than quadrupled and enrollments have increased by more than 325 percent.
- Title I TCUs receive \$5,665 per Indian student toward their institutional operating budgets. Accounting for inflation, the program's funding level is more than \$1,500 less per Indian student than it was under the program's initial FY 1981 appropriation, which was \$2,831 per Indian student.
- Despite the constraints of the current economy, Congress has an obligation to make these critical institutions whole now rather than continuing to make hollow promises for the future.

- **Title II:** Diné College has indicated a need for \$17 million to operate its multiple campuses and education sites located on the Navajo Nation.
- Five other TCUs receive institutional operating funds through the annual Department of the Interior Appropriation measure, under separate various authorities.
- To support the basic day-to-day operating budgets of these TCUs, NIEA requests the following:
  - \$9.3 million for institutional operations of tribally-chartered career and technical institutions under Title V of the Tribally Controlled Colleges and Universities Assistance Act of 1978;
  - \$4.8 million in a one-time payment to allow the institutions to be forward funded;
  - Adequate funds for continued and expanded operations of Haskell Indian Nations University in Kansas and Southwestern Indian Polytechnic Institute in New Mexico under the Snyder Act of 1921; and
  - \$27.7 million for a one-time appropriation, equal to 75 percent of the current combined funding of the institutional operations grants of those TCUs not funded under Titles I or II of the Tribally Controlled Colleges and Universities Assistance Act of 1978, necessary to transition these programs to be forward funded.

#### **Forward Fund Remaining Five Tribal Colleges and Universities**

**Provide a One-Time Appropriation of \$22 million to forward fund five TCUs.**

- All other TCUs are able to plan multi-year budgets and start each school year with predictable funding for operations. Forward funding these remaining five institutions is necessary for Haskell Indian Nations University; Southwestern Indian Polytechnic Institute; Institute of American Indian Arts; Navajo Technical University; and United Tribes Technical College.
- These five tribal colleges, which are the only education institutions funded through the BIE that are not forward funded, have received no new operating funds and were in danger of closing their doors to the thousands of Native students they serve during the October 2013 federal government shutdown.

#### **Institute of American Indian Arts (IAIA) and Center for Lifelong Education**

**Provide \$13.3 million to the Center & Museum under the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act. An increase of \$5.3 million.**

- IAIA is the only four-year degree fine arts institution devoted to the study of contemporary Native American and Alaska Native arts.
- IAIA has graduated more than 3,800 students from federally-recognized tribes and beyond. Of the \$13.3 million requested, provide \$9.3 million, with an additional one-time payment of \$4 million to allow for forward funding.

#### **Haskell Indian Nations University (HINU) and Southwestern Indian Polytechnic (SIPI)**

**Provide \$36.9 million to HINU and SIPI under the Snyder Act. An increase of \$19.4 million.**

- As the first TCUs, these institutions are funded separately from the other institutions and require additional funding considerations.
- Appropriations of \$14.3 million to HINU and \$8.5 million to SIPI are necessary to ensure adequate services are provided to Native students.
- A one-time payment of \$13.2 million would help forward fund the institutions.

#### **DEPARTMENT OF AGRICULTURE—AGRICULTURE APPROPRIATIONS BILL**

#### **1994 Extension Program**

**Provide \$6 million for the 1994 Extension Grants Program. An increase of \$2.1 million.**

- The 1994 Extension Program is designed to complement, not duplicate, the federally recognized tribe extension program (FRTEP). Ironically, the 1994 Institutions—tribal colleges and universities—are the only members of the land grant system that are not eligible to compete for these grant dollars.

- The 1994 Extension Program activities include: outreach to at-risk youth; business skills development for local agriculture entrepreneurs; Native plant restoration and horticulture projects; environmental analysis and water quality projects; and nutrition projects aimed at addressing health disparities, such as high rates of diabetes among Native populations.
- Ten years ago, while the 1994 Extension Program suffered a 13 percent cut in appropriated funding, the 1862 and 1890 extension programs were reduced by just 0.59 percent. In the years since, the 1994 Extension Programs has been struggling to recover lost funds and opportunities. It is time that Congress adequately invests in the extension programs benefiting our reservation communities.

#### **1994 Institutions Research Grants**

**Provide \$3 million for the 1994 Research Grants Program.** *An increase of \$1.2 million.*

- The 1994 Research Grants Program allows TCUs to partner with communities in research areas such as agriculture marketing, renewable energy, nutrition and health, Native plants and horticulture, water quality, and land management.
- These research areas are of increasing importance as tribal economies and tribes' efforts to address pressing challenges depend on access to quality data and evidence.
- Challenges include the disproportionate impacts of climate change on tribal lands and people, as well as the impact of poor economic conditions.
- TCUs need and deserve a level of funding that will increase their capacity for further developing and conducting research and to strengthen education and sustainable economic development important to their tribal communities.
- In FY 2013, the program was cut a further 7.6 percent by sequestration to only \$1.664 million.

#### **Educational Equity Grant Program**

**Provide \$6 million to the Educational Equity Grant Program for 1994 land-grant institutions.** *An increase of \$2.7 million.*

- The Education Equity Grant Program assists TCU land-grants to establish academic programs within the field of agriculture that explore areas such as natural resource management, nutrition, environmental science, horticulture, sustainable development, and forestry.
- The funding requested will help in preparing to address issues of climate change and its impact on agriculture, ecosystems, and natural resources focusing on remote reservation communities.
- This investment will support TCU efforts to provide increased nutrition education to their reservation communities, who experience diabetes and other health issues at rates far greater than the national average.
- In FY 2013, the program was cut a further 7.6 percent by sequestration to only \$3.081 million.

#### **The 1994 Native American Institutions Endowment Fund**

**Provide a \$136 million endowed payment into the 1994 Institutions Native American Endowment Fund.** *An increase of \$124 million.*

- The Native American Institutions Endowment Fund, managed by the US Treasury, provides funds to TCU land-grant institutions through dissemination of the annual interest yield. Although Congress has made regular contributions to the corpus of the endowment, the latest interest yield shared by the 32 eligible 1994 institutions amounted to just \$4.5 million.
- These funds assist in strengthening academic programs, including agriculture curricula development, faculty development, instructional delivery, and experiential learning.
- Funds are also used to enhance student recruitment and retention in the agricultural sciences, as well as to address the ongoing need for improved facilities at the 1994 land-grant institutions.
- The 1994 institutions request that a payment of \$136 million be made, which would essentially double the principle amount funded for the 1994 Native American Institutions Endowment.

- Since only the annual interest yield is distributed to the 1994 land-grant institutions, only the interest on the Fund-and not the appropriated payment amount-is scored as budget outlay, yet the additional interest available to the TCUs, will yield get dividends in community-based programs.

#### **Essential Community Facilities at Tribal Colleges and Universities Grant Program**

**Provide \$10 million for the TCU Essential Community Facilities Grant Program.** *An increase of \$6.9 million.*

- The USDA-Rural Development program provides grants for Essential Community Facilities at TCUs funds the ever-growing need for construction, improvement, and maintenance of TCU facilities, such as advanced science laboratories, computer labs, student housing, day care centers, and community service facilities.
- Although the situation has improved at many TCUs over the past several years, some institutions still operate partially in temporary and inadequate buildings.
- Few TCUs have dormitories, even fewer have student health centers, and only a handful of TCUs have full research laboratories.
- The 1994 land-grant institutions need a commitment of \$5 million each year for the next five fiscal years to support construction, improvement, and maintenance of TCU facilities.

DEPARTMENT OF HEALTH AND HUMAN SERVICES—LABOR, HEALTH AND HUMAN SERVICES—EDUCATION APPROPRIATIONS BILL

#### **Head Start**

**Provide \$9.6 billion in total funding for Head Start, which includes Indian Head Start.** *An increase of \$1 billion.*

- Head Start has been and continues to play an instrumental role in Native education.
- In 2012, Head Start funds provided early education to over 24,000 Native children.
- This vital program combines education, health, and family services to model traditional Native education, which accounts for its success rate.
- Current funding dollars provide less for Native populations as inflation and fiscal constraints increase.
- It is now conventional wisdom that there is a return of at least \$7 for every single dollar invested in Head Start
- Congress should increase funds to Head Start and Early Head Start to ensure Indian Head Start can reach more tribal communities and help more Native people by triggering the Indian special expansion funding provisions (after a full Cost of Living Allowance has been paid to all Head Start programs).
- The definition of “expansion” for funding purposes should include not only new positions, but also the establishment of new programs in unserved Indian communities, as well as quality improvements (e.g., increased staffing, professional development, transportation equipment, computer technology/web access, facility renovations and repair, etc.).
- Expansion should also include going from part-day to full-day, from home-based to center-based, full year services and from Head Start to Early Head Start.

#### **Native Languages Preservation (Esther Martinez Program Grants)**

**Provide \$12 million for Native language preservation with \$5 million designated to fund the Esther Martinez Language Programs.** *An increase of \$3 million.*

- Native language grant programs are essential to revitalizing Native languages and cultures, many of which are at risk of disappearing in the next decades.
- With adequate funding, Esther Martinez Program Grants support and strengthen Native American language immersion programs.
- In addition to protecting Native languages, these immersion programs have been shown to promote higher academic success for participating students in comparison to their Native peers who do not participate.
- The federal budget should include \$12 million as part of the appropriation to the Administration for Native Americans for Native language preservation activities.



- The appropriation should include \$5 million designated to support Esther Martinez Language Programs' Native language immersion initiatives, as they have demonstrated success in supporting Native language revitalization.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)—TRANSPORTATION,  
HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL

**HUD-University Partnership Program for Tribal Colleges and Universities**  
**Provide \$5.5 million to the HUD-University Partnership Program for**  
**TCUs. An increase of \$5.5 million.**

- Executive Order 13592, "Improving American Indian and Alaska Native Educational Opportunities and Strengthening Tribal Colleges and Universities," holds federal agencies accountable for developing plans to integrate TCUs into their programs.
- TCUs work with tribes and communities to address all aspects of reservation life, including the continuum of education, housing, economic development, health promotion, law enforcement training, and crime prevention.
- Likewise, federal agencies need to work with TCUs. To achieve results, Congress needs to hold the Administration accountable for strengthening the TCUs, including their physical plants and that they are routinely included as full partners in all existing and potential federal higher education programs.
- The HUD-TCU competitive grants program, administered by the Office of University Partnerships, is an excellent place to start.
- This competitive grants program has enabled TCUs to expand their roles and efficacy in addressing development and revitalization needs within their respective communities.

NATIONAL SCIENCE FOUNDATION (NSF)—COMMERCE, JUSTICE, AND SCIENCE  
APPROPRIATIONS BILL

**Education and Human Resources (EHR)**

**Provide at least \$13.3 million to the Tribal Colleges and Universities Program. An increase of \$1 million. An increase of \$1 million.**

- In FY 2009, NSF awarded \$4.2 billion in science and engineering (SE) funding to the nation's institutions of higher education, and TCUs only received \$10.5 million, or one-quarter of one percent of this funding. *An increase of \$1 million.*
- Among other minority serving institutions, NSF awarded \$144.2 million in SE funding to 174 historically black colleges and universities and Hispanic serving institutions, averaging \$828,545 per institution, while 29 TCUs received an average of only \$362,000 per institution. *An increase of \$1 million.*
- This disproportionate distribution trend must be addressed in FY 2015. *An increase of \$1 million.*

**Conclusion**

NIEA appreciates the continued support of this Committee and we look forward to working closely with its members under the leadership of Chairman Tester and Ranking Member Barrasso. We share your commitment to Native education and want to strengthen our partnership with you to ensure programs serving Native communities are as efficient and effective as possible.

